


**A New
Social Philosophy**

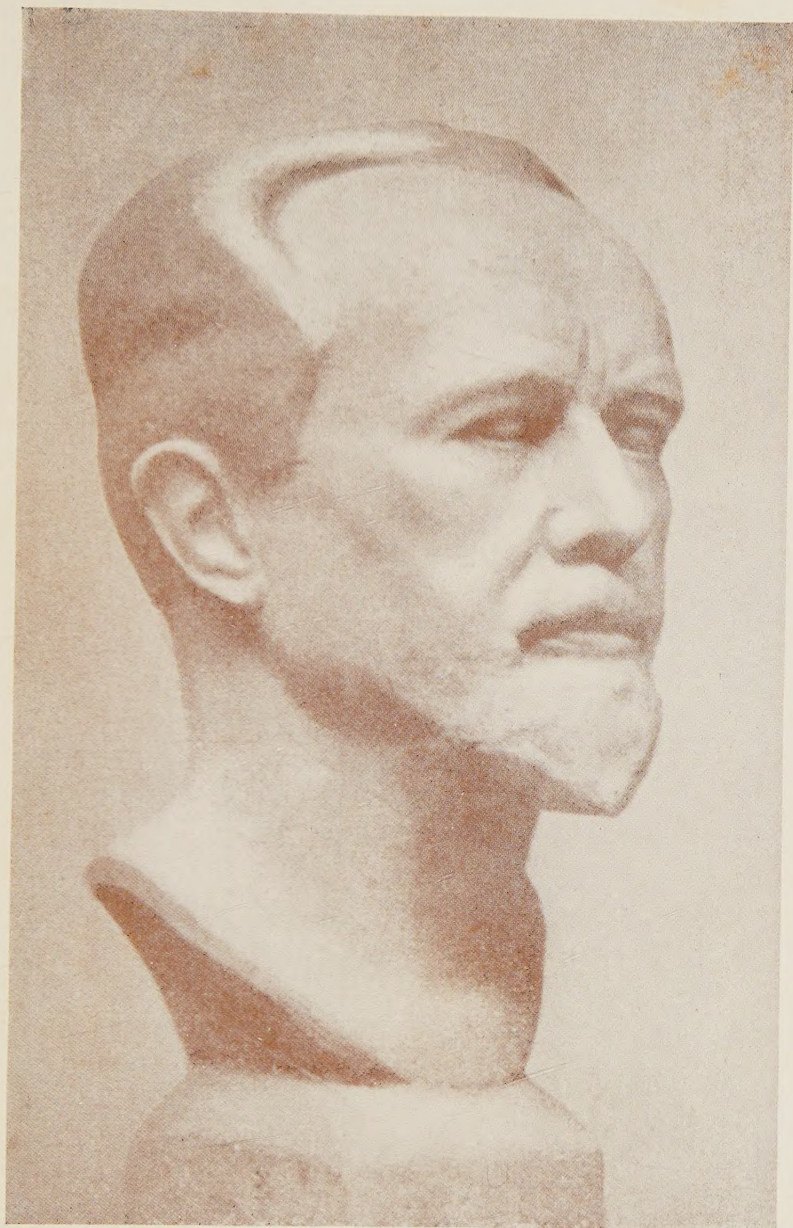
by

Werner Sombart



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A NEW SOCIAL PHILOSOPHY



Werner Oludaa

After a bust by Professor Hugo Lederer

A NEW SOCIAL PHILOSOPHY

BY
WERNER SOMBART

TRANSLATED AND EDITED BY
KARL F. GEISER

1937
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EXPLANATORY NOTE

SINCE the work here translated appeared in German under the title of *Deutscher Sozialismus*, a word of explanation seems advisable in view of the change to the present title. While Professor Sombart has written his work largely against a German background, that fact should in no way detract from its value in America—nor, indeed, in any country—where similar problems are being discussed and where new theories, many of them born of confused thought, are being applied to restore order to a society whose foundations have been unsettled by economic changes followed by a great war. Moreover, it should also be noted that the author is not discussing the present German government and that he refers to its policies only occasionally by way of illustration. In a word, his conception of “German Socialism” is not necessarily what Germany has today but rather “what Germany ought to be”; and, in saying this, he lays down his own social philosophy, the application of which far transcends the implications of the original title. It is the universal character of this book—this indictment not of a people or a country, but of a materialistic age, of an idea, of a tendency, this diagnosis of the present ills of the world and a definite program for a better social order, in terms of general principles—which, it is believed, not only justifies the translation of this work but also the change to its present title. Perhaps at no period since the Middle Ages have there been greater social shifts and changes than at present, and at no time a wider and more general concern about the future of our society. The need of a definite analysis and a definite program for the reconstruction of our present social order is, therefore, apparent; and it is hoped that this work by one of the most eminent living authorities in the field of social science, made available in English, may contribute something to a clarification of our present confused thinking and to a solution of some of our own problems.

On the editorial side of the work, a few abbreviations have been made; and a number of statistical tables and the last twelve pages of the German text have been omitted, since these omissions dealt in the original text primarily with German, and perhaps temporary,

problems. Abbreviations and omissions have in every case been indicated in the footnotes, and in no case has the original meaning been changed.

K. F. G.

Oberlin, Ohio
September, 1936.

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FOREWORD

ALTHOUGH this book deals with Socialism, that is, with one of the problems which at present forms the center of our interest, it should not therefore be regarded as ephemeral. It might very well have been written ten or fifteen years ago, and it will—I fear—still be vital thirty years hence, perhaps even more so than now. It is not a book merely for a day, because I have deliberately refrained from direct reference to the policies of our present government. Not because I am indifferent or unfriendly to the Hitler government; not in the least. The reason I have not discussed the present régime in detail and have regarded the measures of the German government and the opinions expressed by her rulers only occasionally, and then largely by way of illustration, is rather because I believed that in taking that attitude I could best serve my country.

The task which I have set for myself in this book is by no means simple, for, from the standpoint of National Socialist opinion, it is possible to give a consistent account of the various social problems of the time only when these problems are viewed in a spirit of detachment from the politics of the day. Only then can we see the sum total of all the problems in their fundamental simplicity and in their inherent and essential relations. I have endeavored to analyze not only all catchwords, but also to reduce all theoretical and practical expressions to their essential content and to find wherever possible the fundamental anchorage and the systematic connection. Where spiritual unity exists, I have attempted to show it; where it is lacking, I have endeavored to restore it.

I have applied this method of procedure in particular to those theories—such as Marxism, for example—which are opposed to National Socialism. Should the reader be inclined to criticize, as too involved, the third section of this book, wherein I describe Marxian ideas, I can only hope that he will endure with patience the necessary effort that may be required to comprehend them, for it is absolutely necessary to understand precisely those ideas, with their ingenious construction and their closed systems—their chief sources of strength—if one would talk intelligently about political affairs of today.

There are those who regard the effort at a comprehensive and systematic exposition as too theoretical and altogether too pro-

fessorial and, therefore, of no value to the formation of life; they would yield to the fatalism of the multitude; they fail to understand the power of thought. Moreover, it is the first duty of science to elucidate, and in so doing it may, in this political instance, be able to serve life. Of course no statesman should proceed merely according to theories, for, if he did, he would become only a fruitless doctrinaire. We have numerous examples of gifted statesmen who have thus labored, even in revolutionary times. It goes without saying that "theories" must be applied to problems in order to create clarity.

In the immeasurable flood of writings which the rise of nationalism has poured in upon us there have been altogether too many "theories" evolved which were inadequate to meet the tasks imposed upon us. We have remained enmeshed either in catchphrases by which we fabricated crude "theories" for daily use; or—what is worse—we preached a pernicious doctrine, a disloyal mixture from the spheres of faith and of knowledge, from the provinces of judgment and of action, from science and from politics, resulting in a vague irrationalism and mysticism; and we scorned the comprehensive, clear thinking which Plato and Aristotle and the Scholastics had taught us; and, strangely enough, we did this because clear thinking was regarded as "liberalistic prejudice" or as "partiality to everything foreign," which was supposed to be unworthy of a German patriot. Such "theories" are worse than none, for they darken the way of statesmen instead of illuminating it.

*"Vis concilii expers
Mole ruit sua."*

(Force without mind
Falls by its own weight.)

In order to banish the danger which power hides within itself, one must oppose it with well grounded opinion. That, indeed, is the task which a responsible Science should not avoid. It should use its light to illuminate, not to warm an object.

* * * * *

Since this book deals with Socialism, it must—we shall see why—reveal the whole social problem. I have placed only one limitation upon myself: I have eliminated from the province of my investigations foreign policies and thereby the boundary problem of the geographical States (Länder). Certainly not because I have regarded them as unimportant. On the contrary, I am convinced that they are

decisive. The internal development of society in Germany will surely take on a form different from the present, depending upon whether we become a Russian province or are reduced by the once more victorious western Powers into our component elements; whether we attain the leadership of a "Mid-European Empire" or, in common with France and Italy, build up a pan-European State; whether, in consequence of a victorious war, we are able essentially to enlarge our national body or, finally, whether our frontiers remain as they are.

But in an investigation of the problems of internal policies it would be impossible to take all of these conditions into consideration: the unknown coefficient would be too great and, therefore, it would be impossible to speak with definite assurance. I have, therefore, confined myself to the acceptance of the last-mentioned possibility.

Moreover, I have also left out of consideration the contingency, by no means remote, that Germany in the next ten years might become the camping ground of enemy troops.

* * * * *

May this book go out into the world and there find its proper place! That it will find numerous adversaries, both within and without the ruling party, I have no doubt. But I do not regret that. Truth comes to light more quickly through opposition. And so I dare to hope that the ideas evolved in this book may in time exert an influence, however modest, upon the course of political events. Indeed, the most encouraging and the most hopeful—the truly German—fact about the national movement is that its creed is not stereotyped into a dogma but that it seeks its form and final affinity in an uninterrupted struggle of opposing ideas. In this struggle every honest conviction may find its expression, provided, quite naturally, that it keeps within the province of ideas set by the movement. It must be nationalistic, but it must also be socialistic. That under these conceptions very different things are often understood is attested, in word and deed, by the pronouncements of our rulers; and it is also attested by this book on German Socialism. Its distinctive mission is to take the obviously strong forces which are striving to achieve the fulfilment of the national socialistic idea on its socialistic side and turn them into paths in which they shall not become destructive but shall enrich themselves and all life.

But however manifold the conceptions of the intent and significance of National Socialism still may be, that which unites all of us who approve the national movement is the spirit in which we think and act and in which this book is written—the spirit which finds its expression in the words :

“All for our country.”

WERNER SOMBART

Berlin-Grünwald, July 1934.

PART I
THE ECONOMIC AGE

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INTRODUCTION

IN this first part I shall attempt to set forth what the fuss is all about. Many do not yet seem to know, else they would not concern themselves so much with incidental matters. Stated in general terms, the question we are about to consider involves the complete turning away from those forms of life in which our existence has found its expression in the last century and a half. It is well, therefore, first of all, to get a clear idea of the nature and value of these forms, and the following deductions may, I hope, contribute to that end.

What I shall say in characterizing the span of time referred to above may be summarized by the collective concept "The Economic Age"—a term which expresses at once the central fact about the nature of the civilization dealt with in this section. For, in fact, its essence seems to me to be this: that the economic, and—in connection with it—the so-called "material" import has claimed and achieved a predominant rule over all other values in the field of economics, and that this particular kind of economics has stamped its impress upon all other provinces of society and of culture.

This view implies no concession to the "materialistic conception of history" as an attempt to interpret history in general, but expresses merely the conviction that the materialistic or, rather, the economic theory of history—according to which economics is the only reality, while all other activities of mankind are merely a function of economics—is, in fact, valid for the past age but only for the past.

Neither, in expressing this thought of the primacy of economics, and thereby making it the central point of my consideration, do I call the dying period "the age of capitalism" (which it certainly is), because to call it that would not be saying distinctly enough that it was the supreme rule of the economic interests *as such* which characterized that epoch, although, quite naturally, the peculiarity of its stamp was given by the peculiarity of the economic *means* that are called "capitalistic."

Catchwords such as the "individualistic" or the "bourgeois" or the "liberalistic" age do not express the nature of the period which has just passed. The epoch of the Renaissance was "individualistic," the time of Hans Sachs was "bourgeois," but they were fundamentally different from our own century. "Liberalistic" is a many-sided word.

But if economics and economic interests have actually dominated the historic epoch of the past and have determined all other culture, the only way to get an insight into the nature of the period is from the economic standpoint. And for that reason I shall place the decisive emphasis, in the picture of our aeon which I shall attempt to sketch in the following pages, upon the precedents and forms in the field of economic culture, hoping thereby to be able to prove that the predominance which I give to the economic factors is not merely because of my personal familiarity with this field of our cultural life but rather because it finds its proof in the stubborn facts themselves.

CHAPTER I

THE TOWER OF BABEL

THAT mankind in western Europe long went astray—especially in the nineteenth century—and experienced a period of decline, has been asserted not only by religious leaders but also by far-sighted laymen who lived during this epoch—by Goethe, Hölderlin, Carlyle, and Ruskin to Jacob Burckhardt, Paul de Lagarde, Nietzsche, George, and many, many others. We who live at the end of this decline can now for the first time measure the extent and depth of the devastation which was wrought during the last century in every province of our political, social, spiritual and personal existence, but through the knowledge that has come to us we are also now, for the first time, in a position to see the connections as a whole and to know “how it all came about.”

Only he who believes in the power of the devil can understand what has taken place in western Europe and America in the last hundred and fifty years. For what we have experienced can be explained only as the work of the devil. We may distinctly trace the ways in which Satan has lured mankind into his own paths.

He has to an ever increasing degree undermined the belief in a world beyond, and thereby thrown mankind with an all-powerful force into hopeless despair in the present world.

He has seized the vain in their presumptuous belief in their likeness to God—*eritis sicut Deus*—and convinced them that each individual is intelligent enough to bring about, through his own uncontrolled power, the welfare of all and contrive an ingenious common life. Intoxication of “Liberty”! Ideology of Liberalism!

He has simultaneously taken all the lower instincts of men, which are always dormant—covetousness, acquisitiveness, the quest for gold—all things passing under the name of “interests,” brought them to an unheard-of development and elevated them to the sole determining factor. As a result, an economic method, the capitalistic, was laboriously evolved in which economic interests alone could and must needs be active, and in which the struggle for gain and the application of the profit motive would be forced upon the individual by the economic “*ratio*.”

He taught man a refined technique with which he could, in fact, work wonders, remove mountains and displace parts of the earth.

"And the devil taketh him unto an exceeding high mountain, and showeth him all the kingdoms of the world, and the glory of them; and he said unto him, All these things will I give thee, if thou wilt fall down and worship me." This temptation the men of our time have not withstood as the Son of Man once did; they have worshiped the god of the underworld.

"And spoke: Be of good cheer! Let us build a city and a tower whose spire shall reach unto the heavens, that we may make a name for ourselves."

Let us follow them and see how they built this tower.

Conformably to the ancient saying "Be fruitful and multiply," the work began by doubling and trebling the population of the European States: where in 1800 there lived 180,000,000 people, in 1914 there were housed 450,000,000. If these groups of humanity, from the beginnings of European life, had brought the population up to 180,000,000 by 1800, the nineteenth century alone must have added 270,000,000. One century! This is the fundamental fact from which all considerations of modern European history must proceed.

To be sure, the first flower was cultivated somewhat artificially, and in it lay the canker. The growth of population was not due to a natural increase in the fecundity of the race but to a trick which modern technique supplied. Progress in medicine and hygiene had operated to lower the death rate (which sank from 24 and more per thousand to less than half that number during this period), so that the population rose *without* an increase in the birth rate and *without* the process of natural selection, while the race deteriorated through the increasing number of old people. At all events the population continued to increase—that was the chief fact over which men rejoiced. The mere fact that a crowd which formed a unity—a mass of humanity, perhaps herded together in a great city—visibly increased, filled the heart of many an Oberbürgermeister with vain rejoicing: the city had reached the first or the second hundred thousand. Hurrah!

And—*mirabile dictu*—every individual came to expect that he would live longer. The average expectation of life rose in every country of western Europe: in Germany, from 1880 to 1924-26, the average age of men grew from 35.56 to 55.97 years, that of women from 38.45 to 58.82; in France, from 1877-81 to 1920-25, the average age of men increased from 40.85 to 52.2; in England and Wales,

from 1881-90 to 1921, the average age of men increased from 43.66 to 55.5, and of women from 47.18 to 59.5 years. Thus a part of the promise "that thy days may be long upon the earth" had already been fulfilled. ("Thou livest": but whether as lion or as sheep, no one stopped to inquire.)

But a greater "wonder" now began to manifest itself. This mass of humanity, with its three-fold increase, was placed in a position to live "better"; that is, men were able to dispose of more property than could the former smaller group; and the second part of the promise was now also fulfilled. The result was that wealth increased in western Europe more rapidly than the population. If one could have read off the ever increasing production figures on a sort of humanometer, the intoxication of numbers would have been obvious to all. Here are a few examples:

The English "national wealth" amounted

in 1812.....to.....	2.7 billion pounds;
in 1875.....to.....	8.5 " "
in 1914.....to.....	15 " "

The German national income was

in 1885.....	15 billion marks;
in 1895.....	25 " "
in 1919.....	45 " "
in 1930.....	70 " "

The per capita consumption of iron in Germany was

in 1834-35.....	5.8 kilograms;
in 1891-95.....	100.2 "
in 1931.....	276.5 "

The per capita consumption of coal in Germany at the beginning of the nineteenth century was 15 kilograms;

in the middle of the nineteenth century	100 "
just before the World War.....	2,300 "

The world consumption of textile material at the beginning of the nineteenth century was.. 900 million kilograms;

in 1880.....	4,000 " "
before the World War.....	8,000 " "

The cotton production

in 1826-30 was.....	68,000 tons;
in the 1880's.....	2,000,000 "
in 1912-13	4,500,000 "

At the same time there were railways in all countries, steamships on all seas, telegraph and telephone wires from home to home, from city to city, from country to country and from one part of the earth to another! Automobiles in abundance! More and more machines; more goods in circulation!

The number of ton-kilometers achieved by European railways was:

1891-95.....	96.9 billion;
1901-05.....	151.5 “
1925-27.....	229.8 “

The length of railways in the world:

1840.....	7,600 kilometers;
1890.....	617,000 “
1910.....	1,030,000 “
1925.....	1,206,504 “

The number of persons carried by mail coaches and railways in Germany was

in 1834.....	1 million;
in 1900.....	850 “
in 1929.....	2,000 “

In Germany the number of automobiles owned in 1927 was one for every 170 persons;

In Great Britain, one for every 43 persons;

And in the United States, one for every 5 persons, where the total number was

in 1895.....	3,000
in 1910.....	468,000
in 1926.....	22,047,000

The tonnage of vessels entering the ports of Great Britain was

in 1800.....	2.1 million registered tons;
in 1850.....	7.1 “ “ “
in 1900.....	49.1 “ “ “
in 1912.....	76.2 “ “ “

and in the port of Hamburg there entered

in 1851-60.....	1.5 million registered tons;
in 1881-90.....	7.7 “ “ “
in 1913.....	28.6 “ “ “

The gross tonnage of ships passing through the Suez Canal numbered

in 1871-75.....	1.3 million registered tons;
in 1891-95.....	8.1 “ “ “
in 1901-05.....	12.1 “ “ “
in 1929.....	26.1 “ “ “

The glory of all this may be summarized if we place before our eyes the value of goods exchanged in world trade. It amounted

in 1800 to.....	2	billion marks;
in 1830 to.....	6.5	“ “
in 1870 to.....	38	“ “
in 1900 to.....	79	“ “
in 1913 to.....	160	“ “
in 1929 to.....	284	“ “

The great lever by which the world was thrown into this accelerated tempo was the machine system which man had developed; new power was continually being placed at his disposal. It has been estimated that man now has, in all of his sources of mechanical power, about a billion units of horsepower at his command.

Mankind had elevated itself to a remarkable capacity for achievement! An American, Professor Lamb, has made a computation which he has expressed in astounding figures, namely, that the human energy of labor has, in recent years, been increased from 4,000 calories to 160,000! No wonder that such a gigantic development of the apparatus of production and the facilities for commerce should now offer goods in ever increasing abundance to the people of western Europe and America.

Truly

There grew enough bread here below
For man, the whole world over,
And roses, myrtle, beauty and joy,
And sugar-peas, moreover.¹

The world's wheat supply increased enormously: 50,000,000 tons were harvested in the years 1866-70 and 130,000,000 tons in the year 1930. The stock of usable goods grew by leaps and bounds. There came the motorcycle and bananas and chocolate, and advertisements by day and by night; the electric light and the talking film and indoor plumbing and a thousand books a day; artificial manure, the airplane and contraceptives; the torpedo and the loudspeaker, the tractor and the phonograph; bouillon-cubes and mouthwash, poison-gas and the vacuum cleaner; the de luxe hotels on land and on sea, and the electric mixer. . . .

¹ For the translation of this and all the following metrical quotations in this book I am indebted to Mrs. Kenneth Scott.—The Editor.

There came, above all, an endless number of food products which looked, and almost tasted, as if they were real: chicory, oleomargarine and plant fats, used as substitutes for coffee, butter and animal fats; there came the nailed instead of the sewed shoes, moulded cast metal ware instead of the pressed and the wrought, pressed instead of cut leather ware, printed instead of woven textile patterns, clasped instead of sewed books, imitation gold and shoddy, artificial silk, artificial leather, pasteboard, celluloid, and, in a word, all the "modern comforts."

It is now possible actually to see plants grow, to talk with the antipodes and send them telephotos, or to fly from Germany to Brazil in two days.

It was all very wonderful. To be sure, there were also drawbacks, troubles of a disturbing nature. A very great, inconceivable and wholly unpardonable disturbance was wrought by the World War. One had always associated the word "war" with "the other party" or with the "large profits of the armament industry"; now it broke out between "civilized" States and restricted the profitable, everyday labor of the common man. That was unheard of. But this great disturbance also came to an end, and one could finally carry on business as usual and have whipped cream for dinner. Again the way led upward; again the "trend" indicated the accustomed direction. The tower grew higher; it was destined to grow still more "until its spire reached the heaven." More motors, more currency, more goods! More rapid production, more rapid travel, livelier enjoyment!

Prosperity! Progress! without end, without end!

When, not long ago, lightning struck the tower and scattered the terror-stricken builders, the thought arose that it might be well to look at the foundation of this colossal structure and determine what its carrying capacity might be. When this was done it was found—what querulous skeptics had always maintained—that the foundations were very, very weak. But they were formed by the so-called *world economic relations*—more exactly, by the peculiarly dependent relations which the States of the world had formed with west-European powers during the past century. These world economic relations, as they had shaped themselves during the economic period, I shall now examine more in detail.

When the modern period opened about the middle of the eighteenth century with the discovery of the coke process, there arose a succession of more or less closed politico-economic systems which were

essentially self-sufficient, and which traded with other countries only in so far as their very conscious national interest seemed to dictate. It was the period of mercantilism, now to be displaced by the liberal epoch.

World economics, at the time of high capitalism, was based upon an entirely new spirit. The driving force was now no longer the interest of the State, but that of the individual; it was assumed that the capitalistic struggle for gain would be supported by the power of the State. But the objective toward which the economic systems of the world had been directed had now shifted: the aim at which one strove was no longer a series of separate self-sufficient, organically constructed economic systems in juxtaposition, but a world economic unity, based upon a division of labor and hence upon a differentiation of production, and forming a world economy through the union of the individual economies, without regard to the structure of the State.

The attainment of this aim seemed to be achieved through a technique which playfully conquered space and time and brought about a mobilization of goods and people hitherto unknown; a mobilization which also extended to cheap articles on a large scale. The way to the goals set led to a complete reconstruction of production and employment all over the world in such a manner that the commerce of nations now grew up on the basis of a new division of labor, while production adjusted its position according to its "best" natural or transportation facilities. This reconstruction process developed exclusively from the initiative of the highly capitalistic States which had now reached the height of their power. One characteristic of this period—which has passed—may be said to have been the rule of the white race over the world.

But to understand the nature of the work of reconstruction we must keep in mind the very peculiar division of labor which developed between the industrial countries of Europe and all other countries of the world. Industrial Europe formed itself, as it were, into a gigantic city of several hundred million inhabitants in which the products of trades and crafts were produced in increasing measure, while the various countries belonging to Europe developed into what is called industrial or, more properly, industrial-export States, since they were dependent upon the export of their manufactured goods. But the exports were sent to the other countries of the world which formed a sort of "outlying district" about this "city" of western

Europe; and the mission of these other countries was to receive the manufactured products of the city and, in return, provide it with the necessary raw material and other means of subsistence.

This "outlying district" comprised the whole earth, with the exception of western Europe. The great Powers now proceeded to form or transform it, as they saw fit, so as to have their own territories as markets for European wares or as areas for the production and purchase of goods demanded by Europeans.

Where foreign territory was settled by Europeans, it became of itself a market for European goods. Where it was occupied by a different population, it was necessary to transform the customary necessities of life to such an extent that the industrial products of western Europe should find acceptance. This transformation had to be effected by the deceptive lure of our wares, above all by their cheapness. And with the taste for European luxuries came the desire to be able to produce them; that is to say, a demand developed for the means to produce them. Above all, it was suggested to these foreign peoples that they develop their means of intercourse—quite naturally with the help of European goods.

The non-settled areas were formed into territories suitable for production; that is, they became feeders by the fact that production was directed at the very outset to meet European needs. In the territories already settled, the desired branches of production, if already at hand, were promoted; if not, they were established. How this process was carried on is clearly seen in the development of Egypt. Until two generations ago the population of Egypt was mainly supported by the products of its own soil—that is, it was a self-sufficient country—until, one fine day, it occurred to a European that Egypt could produce good cotton for export. Thereupon the production of cotton in Egypt was "forced," as they say, and today it ranks fourth among the cotton-producing countries of the world, but it must as a consequence import its necessary supply of breadstuffs. The procedure in other countries was the same, for those branches of production were developed which, thanks to natural conditions, were peculiarly suited to the purpose at hand. Likewise, the so-called special, or mono-cultures arose in various countries: coffee in Brazil, rice in Burma, saltpeter in Chile, spices in the South Sea Islands, sugar in Cuba, and so on. Often these products were cultivated by

hothouse methods on a large scale as somewhere in Europe a sudden impulse created a new want for a day. A good example are the rubber plantations which, in consequence of the rapid spread of the automobile fever, shot up in various places like mushrooms after a rain. Thus the production of raw rubber rose during the years from 1913 to 1929: in the Malayan States from 33,000 to 458,000 metric tons, in the Dutch Indies from 5,000 to 263,000, in Ceylon from 11,000 to 82,000 metric tons. Likewise, at an earlier date, the ostrich farms and, more recently, the banana fields were rapidly developed.

The methods employed by the European dealers and producers to transform world economics to serve their own interests, remained in part the same as they had been in the early capitalistic period, that is, they employed the power of the State for their own ends. The motive was disguised in the form of a so-called "colonial policy" among the so-called "primitive races" or through the application of force, constraint or violence in various forms.

The classic example of ruthless—yes, even cruel procedure in the interest of the capitalistic exporting country is the well known behavior of England toward the East Indian textile industry. It was in a flourishing condition until the beginning of the nineteenth century and carried its costly products to Europe. India did not need, and did not want, the rubbish of the English cotton industry. But India was to become a market for English cotton goods when, at the time of the Napoleonic wars, England began to have an over-supply of that commodity. An investigating commission was then appointed to find out how a market for English cotton wares could be opened in India. The commission came to the conclusion that in order to achieve the desired goal the East Indian textile industry must be ruined. The government accepted the opinion of the commission and began the devastation of the hated rival which, by means of tariff and customs regulations, it succeeded in laying low. The Indian weavers starved. "The misery scarcely finds a parallel in the history of commerce. The bones of the cotton weavers are bleaching on the plains of India." Thus wrote the Governor-General in a report of the year 1834-35, which is quoted by Marx.² But the goal was achieved: English calicoes filled the gap which was left open by the hitherto languishing home industry. The

² *Das Kapital*, 4th German ed., p. 397.

exports of English cotton textile fabrics to East India rose from year to year; its share of the total exports of Great Britain was:

in 1820.....	6%
in 1830.....	13%
in 1840.....	18%
in 1850.....	25%

But with the "forward march" of time the forms of subjugation became more "civilized"; in place of force, resort was had to swindle; instead of political manipulation, befitting an economic age, economic methods were employed. The motto for regulating world economic relations now became "Peace—Free Trade—Goodwill." Above all, through the elaboration of a subtle credit system, it was possible to make foreign peoples serve the interests of west-European capital.

The rapidly growing surpluses from the profits of capital were placed in foreign countries either in the form of loans or in the form of capitalistic enterprises. If one looks beyond the mere money consideration, which so often veils the view of reality, and sees what is actually taking place, the process will appear as follows: for example, out of their income, German, English, French, etc., economizers save sums of money to be disposed of. With it German labor is paid for the purpose of producing manufactured goods which the debtor country receives as a loan. That country must pay interest on the amount so loaned, that is, it must repay, on an instalment plan, from its national income out of that fund for which it pays interest on the loan or dividend on the capital. Thus export is placed on the side of credit, import on the side of tribute.

In fact, there have been transactions involving mighty sums. It has been estimated that before the war Great Britain had thus "placed" in foreign parts 70,000,000,000, France 36,000,000,000, and Germany 24,00,000,000 marks, and in such a manner that each of the three States mentioned placed at the annual disposal of foreign countries respectively, 2,000,000,000 to 4,000,000,000, 1,000,000,000 to 2,000,000,000, and 800,000,000 to 1,000,000,000 marks. The peoples of the world thereby fall into two sharply opposing groups: the creditor nations and the debtor nations.

This whole process was brought about, and these gigantic sums were administered, by a small group of banking houses, which were referred to as the "representatives of international-finance capital."

Thus there arose that pernicious and accursed finance-capitalistic imperialism, or imperialism of international-finance capital, which felt perfectly at home wherever a field of exploitation opened up, as expressed in the Encyclical "Quadragesimo anno": "funestus et execrandus rei nummerariae 'Internationalismus' seu 'Imperialismus internationalis' cui, ubi bene, ibi patria est."

CHAPTER II

THE RECONSTRUCTION OF SOCIETY AND THE STATE

I. The Destruction within Society

WHILE the relations of countries toward one another were, according to the foregoing description, turned topsy-turvy, the revolutions within the individual states were no less radical. Within the last century, without much political noise, an old, well-grooved social structure has been torn down to its foundations and the people who saw their old, comfortable homes disappear were compelled to camp in the open fields or to seek shelter in hastily improvised barracks.

Until the beginning and to some extent, for example, in Germany, until the middle of the nineteenth century, the life of European humanity ran on in series of respectable associations of which the most important was the village, the rural and municipal labor, and the domestic, associations (*Hausgemeinschaften*). These all now fell into dissolution.

The dissolution of the village association was a result of the agrarian reforms on the one hand, and the development of capitalistic industry on the other. The former, whose purpose it was to create a free, private peasant-economy, put an end, as we know, to all possession in common, took away the right of usufruct in all property and made over the whole peasant economy into movable property subject to free exchange. All connections of village fellowship were thereby destroyed; those persons who had only small means were robbed of the possibility of a livelihood, while the larger property owners fell a prey to debt or were forced to have their property divided and thus lose it piecemeal. On the other hand, the foundations for the support of the rural population were shattered through the falling off of secondary or incidental industrial occupations, which were made unprofitable as a result of the technical advance in industrial methods which had consumed the labor power during the dull periods. A large part of the rural population could no longer earn a livelihood on the land, and so was compelled to leave it.

At the same time the old labor associations which had existed on the large estates were dissolved. The peasant relation, which rested

upon the laborer's share in the profits of the landed estates, and was for that reason deeply rooted in the soil, fell a sacrifice to the new epoch; and the feudal lords, whose "interests" had again become purely economic, in the same manner as had those of the laborer, urged the removal of the latter. The increasing "intensification" of the land made this industry more and more seasonal; the decline in the number of men needed for threshing, and in the number of women needed for spinning, limited the opportunities for permanent labor on the land. In place of the old stock of laborers, which was uprooted, there came the new transient seasonal laborers. And again a part of the landed population was compelled to leave its accustomed occupation and abode.

In cities the handicraft workers had, to a certain degree, enjoyed safety in the guilds, whose dissolution threw the workers into free competition with the powerful capitalistic antagonists against whom they could offer no effective resistance. The result was the elimination of the workers.

Quietly, without legal regulations, life associations based on a household economy, which, in extensive circles of the rural and municipal population, had found a prop and support for centuries, were gradually dissolved. Let us here recall that a large part of the production of goods was carried on not only on the land, but also in the cities, in the family circle, in the home. Baking and butchering were carried on there, foods were preserved, pickled and cured; candle-making and soap-making, spinning and weaving, tailoring and shoe-making—all were occupations of the home; there the joiner and the locksmith also plied their trade. The members of a large family were thus enabled to employ themselves usefully and to support themselves under their own roof. These possibilities, however, disappeared more and more as the living quarters became smaller. Ultimately it was necessary to perform all of the work necessary for the maintenance of the family in "the market place" where, in view of the cheapening of production in factories, it could also be performed to better advantage; but the advantage was conditioned on the possibility that the labor power which could formerly be applied in the home could now find employment in "the market place." First of all the women and girls were driven out of the home; and what we call "the woman question" was then nothing else than the question: How can the feminine part of the population, which could formerly be employed in the home, now support itself in "the market place"?

The first consequence of the process of dissolution here briefly described was the transformation of the old settled strata of the population into a mass of fluctuating individuals, borne here and there like drift-sand on the wind of a "crisis" and finally deposited—like a sand-hill—with no more connection with one another than the grains in a real sand-hill. These sand-piles are the great cities and the industrial districts. This process of completely transforming the population is called "agglomeration"; it may also be designated as "urbanization." It is a marked characteristic of our time and I shall later illustrate, by means of figures, what it means for Germany. At this point I will merely say that in western Europe the population of the great cities was 12.4 million in 1850, 29 million in 1880 and 61 million in 1913.

But what did these masses do in the great cities? How did they support themselves? We know too well. They nearly all took the ominous step into the great businesses of industry, of commerce, or of trade, which, one after another, opened their gates and which devoured all that was formerly performed in the home, the fields and the workroom. They formed those masses, called proletariat or laboring class and more recently labor, and they have since constituted so serious an obstacle to the development of our society that we have become accustomed to regard the whole social problem from their standpoint. We shall learn later what a dreary life these masses led.

II. The Reconstruction of Our Forms of Life

That our forms of life are entirely different from those of our ancestors, everyone, at least if he is conscious of his condition, knows or feels. But there are few, indeed, who see the fundamental reasons for this difference or who comprehend what the changes consist of; who see that they also emanate from the monarchical rule of the economic interests under which we stand. I shall try in the following pages to give a survey of the changes which our whole existence in its external form has undergone and to show the connections of these changes with their economic bases.

We may conveniently designate three different lines of development which have determined our present existence and which may be characterized by the general terms intellectualization (*Vergeistung*), objectification and compensation.

1. By intellectualization, a term synonymous with exanimation, that is, switching off the mind, as it were, and with it also initiative,

freedom and self-determination, I mean that process, very common at present, in which the conduct of our life is surrendered, and therefore shaped, without our conscious assistance. Instead of the conclusion and decision of the individual, which may, of course, occasionally be affected, there are, for all time, predetermined patterns which hold the conduct of the individual in chains, so that he no longer acts according to his highest personal inspiration or his own best judgment, but according to the requirements and commands of the system. He steps, as it were, into the system and permits it to direct his course.

Examples of intellectualizing processes of this kind are at hand everywhere, especially in the field of economics.

In the field of consumption, intellectualization may be seen in the form of the so-called collectivization of consumption, that is, in those cases in which there is a common "communistic" use of a commodity. Examples of collectivization of this kind are public educational institutions, museums, hospitals, foundling homes, theater concerts, cinemas, hotels, restaurants, central water, light and heat supply, public trading institutions, personally conducted tours, and so on. Everywhere our personal liberty is put in subjection; we are surrendered to a mental pattern by which we are ruled.

The same process is observable in market procedures, whether we speak of the merchandise, the gold or the labor market. Such phenomena as dealing in futures or options, conformity with exchange regulations, the execution of orders or collective labor contracts (the so-called rate agreement) are all examples of what I have in mind in this connection. Common to them all are the elimination of individual initiative and the placing of the individual in a stereotyped mold.

The process just described has an especial significance in the realm of business organization. The essential fact about modern big-business is its intellectualization through the elimination as well of the leader as of the overseer, of employe and of labor, down to the last man. All those connected with such a business, from the general director to the lowest packer, perform their daily work not as they think it should be performed, but as those who control the business have prescribed it for them in the system of regulations. Every individual, on entering such a business, must check his mind in a cloakroom. When the doors of the office or the workroom have closed behind him, he becomes a number in a machine understood by him neither as a whole nor in any of its parts. The machine "runs on," and he runs with it.

What occurs here has already been prearranged in the minds of those who have decreed the regulations and planned the system down to its minutest details. To achieve such a complete systematization, every detailed operation must be divested of its most personal qualities and made to fit into a scheme. That means the dissolution of all efficiency complexes and their dispersal into any number of part-performances. Instead of a handicraft you have a handle, and this applies to mental as well as to manual labor. And by and in it all, labor is robbed of its true meaning; it is no longer an activity conditioned by life or fulfilling life. This change marks perhaps the most important fact of our whole existence; it signifies the end of a period of a cultural development in which mankind became human. It places all those affected by it before the absolute Nothing, while it withdraws from under their feet the most important foundation upon which all human life has hitherto been built up—labor.

2. Related to the process of intellectualization is that of objectivization, by which I mean the elimination of the human element from the process of labor in general. By it intellectualization was effected through the creation of a visible apparatus to which those functions were transferred which were formerly exercised by human beings. This process of objectivization is known under the names of mechanization, machinization, and apparatusization.¹

Illustrations of this trend offer themselves from all quarters. Originally man did not have an external object with which to produce music: he simply sang. Then he created an instrument by the help of which he brought forth musical sounds. These instruments gradually became more complicated: from the shawm came the saxophone, but they remained as implements until they were superseded by the music-machine. The invention of the phonograph and the radio were reserved for our own time. One wishing to take a journey, at first used nothing but a walking-stick, then a riding-horse with a saddle, then a wagon hitched to horses, later the railway, the automobile and finally the airplane. Housekeeping was originally carried on with simple utensils with which living persons served themselves; in their place came, to an increasing extent, apparatus formed and refined to the highest degree; the collectivization of consumption of which we have already heard led of necessity to a mechanization. And,

¹ The author used the terms "*Mechanisierung, Machinisierung and Apparatisierung.*"—Translator.

moreover, the single performance was no longer executed with a simple implement but with an elaborate machine: the vacuum-cleaner.

Every such objectivization meant putting back production to an earlier stage; production made a "detour," so to speak. But with every apparatus, with every machine, labor was driven from a more or less open atmosphere, in which the individual could move about freely, into the hell of great industry with its deadening forced labor and its largely unbearable labor conditions. What that signified may be clearly seen in the mechanization of agriculture. Let us recall that there, where once the rustic followed the hand-plow or cut his grain with the scythe or drove his horses and his cattle to pasture, slave labor of the worst sort is now performed to produce the steam-plow, the mowing-machine and the tractor; also that fertilizer, and all kinds of fodder, now come from the same great industries. One may describe the change that is going on under our eyes by saying that all of our breadstuffs and all of our means of subsistence are no longer produced in the open fields but in the factories.

A fateful succession of the two processes above described, intellectualization and objectivization, is the phenomenon, so deeply stamped upon our time, which I call

3. "compensation," by which I mean the tendency to uniformity, to the unification of all of the forms of our life. This tendency to uniformity is the modern version of the plague. We may observe it in all departments of our life. Compensation takes place:

(1) between concerns of the same kind: a blast-furnace, a company-shop, a handicraft concern, if they are "modern," look alike all over the world;

(2) between business forms and business systems: a rural enterprise becomes a small factory; there is no difference between a capitalistic and a communistic coal mine; a municipal and a private street-railway have the same structure;

(3) between the position of an individual in a business: an employe in a factory and in a warehouse, an engineer in an automobile factory and on a wharf, a stenographer in an attorney's office and in a shingle factory, bear the same stamp;

(4) between the single exemplars of goods for consumption: a house, a chair, a shoe;

(5) between city and country: municipalization is becoming common;

(6) between landscapes, countries, and peoples : the same food, the same clothing, the same dwellings, the same songs, the same dances, the same festivals !

The direct influence of economics on our forms of life may be seen most distinctly in our system of modern education. All these successions of evolution—despiritualization, objectivization, and compensation—are the results of economic planning; they are the results of what is called, by a misuse of the term, “rationalization.”

III. The Changes in Public Life

The results of the economic age show, first of all, that in public life there is in fact but one basis and one measure of success, that of wealth in money; and only one order of rank, that of money or income.

In earlier times wealth also conferred respect, but its significance in the economic age is, nevertheless, of a particular kind. It lies, it seems to me, in the following :

(1) In the exclusive acceptance of money value. All other values are, through a refined process of disapproval, divested of their power to command recognition, or they merely serve as a means of achieving riches. That is true of all intrinsic values (*Seinswerten*) : beauty, strength, goodness, wisdom, artistic ability, birth, race, family traditions and so on. Striking is the following consideration : a man possesses nothing, therefore he can do nothing, and consequently amounts to nothing. An intellectual person obtains neither standing nor approval in society until he has a large income. A poet, a composer, a sculptor, a painter, a physician, a lawyer are regarded as insignificant until they can prove the contrary through a large tax bill; in other words, until they can show “results.” But to achieve results at present means to be recognized by a large number of persons who are solvent and can, therefore, pay a high price. In all avenues of life results are measured by the amount of income received. The declining scale is as follows : from spiritual value to performance value, from performance value to result value, from result value to value of visible result, from value of visible result to value capable of being coined; and then the foundation is laid upon which the estimate of value according to income tax may be constructed.

Wealth has become an object of admiration, whereas earlier—at least in the case of private persons—it was rather an object of contempt or scorn unless its bearers were possessed of other values, such

as culture or noble lineage. Ancient literature, and even the literature of the seigneurial period, is full of scornful songs directed against the rich parvenu. Even the richest man in Cicero's Rome, Crassus, although he succeeded through his riches in attaining the Triumvirate, is pictured to us by Plutarch as a half-despised, half-scorned figure.

Another peculiarity of wealth in the economic age is

(2) its source. All earlier wealth was of political origin: power led to riches; today riches lead to power, while its origin is economic; it is "earned" in business, it is a function of economics. A special mechanism of selection, accordingly, is created and the formation of the élite is achieved from the viewpoint of economic ability. Ruskin once described very clearly what the result of it all is: "In a community regulated solely by supply and demand, those persons who are fortunate enough to become rich are, in general, the industrious, the determined, the niggardly, the active, the strong, the sly, the unimaginative, the unsympathetic and the uneducated. Those who remain poor are the entirely foolish, the entirely wise, the idle, the reckless, the humble, the thoughtful, the dull, the imaginative, the sensitive, the well-informed, the improvident, the irregularly and impulsively wicked, the clumsy knave, the open thief, and the entirely merciful, just and godly person."

(3) But the most singular mark of the economic age is that wealth which has its origin in the counting-house carries no stain, and that the representatives of economics, the business men, as such, enjoy the respect of the people and wield the power in the state. We are experiencing a strange combination of political and economic leadership. Never before has there been a situation in which business men have ruled, either personally or through their organization or its organs. Roman senators could properly loan money at interest, the patricians of the cities of the middle ages could properly carry on their half-warlike commercial trade, the members of the English gentry were compelled to be rated according to land, but they could not be traders, business men, dealers or manufacturers.

Before the beginning of the economic age, one of the wisest men of his country judged the standing of business men in the state as follows: "all is lost if a profitable calling of a business man is also an honorable calling. Then horror seizes all other orders. Honor loses its whole value; the gradual and natural means of distinction are no longer respected and the very principle of government is subverted."²

² Montesquieu, *Esprit des Lois*, Livre XIII, Chap. XX.

The only adversaries of the business men in modern society are the masses, and particularly the masses in the great cities, the so-called proletariat who succeed because they own nothing and lay claim to ownership. They are themselves the only product of the economic age unknown to any earlier period in similar form. The undreamed-of increase in population created them and, with them, the conceptions of "mass humanity" and human masses. The increase of wealth and the progress in "education" have "elevated" them to such an extent as to justify their claim to the right to "belong." Again, the economic age is responsible for first having brought the proletariat into political life as a class party, which others then followed. But the characteristic which most distinctly marks the preponderance of the economic interests in our own time is the fact that all parties came to be more and more economic parties and ultimately opposed one another as classes in the class war. Karl Marx is fundamentally wrong in saying that classes and class wars have always existed. The truth is that there were none before our epoch. Only in an economic age are economic interests decisive in the formation of group structures; not until that age do we find men united above all other interests—religious, political, kindred, and so on—into one class, that is, into a group fundamentally interested in the formation of an economic life. Classes and class wars are the legitimate children of an economic age.

That under the influence of this society, divided by economic interests, the idea of the state must gradually fade out and ultimately disappear is obvious. From that standpoint the state is said to be no more than a veil and mask of the "interests," for which the parliamentary form is best adapted. In that case it matters little whether the state is "strong" or "weak"; that is to say, whether it endeavors to guard the economic interests entrusted to it through force or through a *laissez faire* policy. But in view of the contending classes what interests shall it guard? This question may be answered in various ways, and in the course of economic ages it has been answered in various ways. At first the voting power of a large bourgeoisie ruled almost alone; later this power had to concede that other classes had a claim to a share of the spoils. It was different in different states: in the Roman states the rule was in the form of families and cliques; in Germany, more in the form of unions. In any case, however, the system amounted to the same thing: the power of the state became the football of personal interests which were essentially economic.

This point having been reached, the form of government is the result of a compromise, a *Kuhhandel*.³ With this system of horse-trading, the so-called democratic period is entered upon. Democracy in the economic age means nothing more than the legalization of horse-trading.

A final observation may here be made as to the place of war in the economic age. If the prediction of Herbert Spencer had been true, war would have wholly disappeared with the progress of civilization, at all events with the entrance of humanity into the economic period; for, as we know, he predicted the necessary transformation of the warlike type of human society into the industrial type. Now this prophecy has, of course, never been fulfilled. But the conception of mankind concerning war has, nevertheless, undergone an essential change. It is doubtless now more involved with economic interests than it was before. The stakes set have become exclusively economic; the effects go deep into the economic life. But that does not seem to me to be the important thing about it; it merely intensifies the situation in comparison with what it was formerly. What, on the contrary, seems to me to be fundamentally new is the changed conception of the meaning of war and the preparation for war—the change in the spirit. To the civilized nations (with the exception of Germany) war now seems to be essentially a means of protecting or extending their possession of material goods. The army takes the place of a police force. The preparations are not different from the safeguards which are provided against burglars. The adversary seems, in fact, to be nothing else than a burglar to whom no honor is conceded, no right whatever, and, of course, not the right of self-defense. Thereby all military honor has disappeared: a real soldier cannot regard it as honorable to protect a treasury against a thief. To fight against a disarmed antagonist is cowardly. In other words, not war, indeed, but the meaning of war has disappeared.

³ The German equivalent of "horse-trading."—Translator.

CHAPTER III

THE INTELLECTUAL LIFE

IF, in the history of mankind, we distinguish, with Goethe (and Count St. Simon and others) between objective and subjective (organic and critical, constructive and destructive, believing and unbelieving) periods, the economic age belongs definitely to the subjective, critical, destructive, unbelieving periods and exhibits in its cultural aspects all of these characteristics. Because the preparation for a dominant idea is lacking, because no common, objective intelligence directs each cultural achievement toward a definite end and gives it a content, there is a "confusion of tongues"; everybody talks and acts according to his own opinions. Humanity cries out confusedly like a crowd at a fair. Each crier must force his voice to the highest pitch to outdo the other in order to be heard and to find a buyer for his wares. Such periods lack the poise and hence the essential condition of every true culture. They have, in fact, no culture. Many periods showed taste, at least for the lower forms of material wealth, in the seigneurial period, before the outburst of the economic age, but even the latter period did not have a cultivated taste, because the preliminary conditions were lacking: an exclusive, well-bred social class, such as the nobility had always formed before 1789.

But the wholly unique position of the economic age in regard to intellectual culture is not adequately characterized by this reference to it. We must bear in mind that this age showed a series of characteristics which set it apart as something distinctive in human history.

The first fact that strikes us is that our age has shown an immense increase of products in all forms of intellectual culture. When were there ever so many books, plays, pictures, musical compositions, and so forth, produced as in our own time? The increase in the number of printed books can be given in exact figures. In Germany, for example, about 130 years ago, 4000 books in round numbers were published annually; today there are nearly ten times as many and certainly in larger editions. The periodicals published in the same country were

in 1923.....	3,734
in 1932.....	7,652 (!)

Whole forests are annually cut down to produce the paper necessary for this output. The figures showing the increase in the consumption of paper are striking. The world production of paper has been as follows :

1800.....	10,000 tons
1850.....	100,000 "
1900.....	8,000,000 "
1929.....	16,000,000 "

This increase in cultural works gives one the impression of great intellectual activity in our period, and this is even heightened by the fact that the methods of disseminating cultural material have been improved to an extraordinarily high degree. New forms for the collective dissemination of culture have been created, just as we have created new methods for the distribution of water, electricity, gas and transportation facilities. Public schools, public high schools, popular courses, national libraries, public exhibitions in the form of museums, concerts, theaters, cinemas, art exhibits—all these are a part of the economic age which in all avenues of life—not alone in that of personal advancement—the omnibus-principle has brought to its present development.¹

That this entire structure of an amazingly extensive, intellectual culture rests upon the foundations of a special kind of material culture, and that this kind of intellectual culture is, in the last analysis, a function of economics, is not difficult to understand.

First of all, the increase of cultural works presupposes the increase of dispensers of culture and of their productivity. It is evident that only an increase in the wealth of a nation makes it possible to support a growing army of idlers. At the time of Christ, Palestine was so poor that every educated person had also to carry on a trade, and the monks of the early middle ages had to use their hands in order to support themselves, at least in part; and later, the Minnesingers who were not able to live from the earnings of their peasants had, as Meistersingers, to become cobblers. That limited the stream of creative intelligence, and it is obvious that one who had nothing to do could compose or write more than one who, in addition to his chief work, had to carry on a useful occupation.

¹ I gave a detailed description of these things thirty years ago in my *Deutsche Volkswirtschaft* (1903). It is still, alas "timely."

To permit this increasing staff of dispensers of culture to live their life to the full, some additional means had to be placed at their disposal; that is, it was necessary to produce quantities of paper and printing presses, to build museums, theaters, concert-halls, libraries, radio apparatus and so on, which was only possible with an increase of wealth.

The Business Interests of the capitalistic employer saw to it that the machine of creative culture was speeded up to an ever increasing tempo in order to deliver the products necessary to meet the increasing demand. And now publishers, printers, theater and cinema directors, concert agents, and so on are hourly employed in making profits through the production and distribution of works of culture. A considerable part of our literature, for example, owes its existence to the urgent necessity which compels printing-publishers to keep their rotary presses going. Nor should we forget the technique which has contributed so much to extend the volume of our culture.

Admonitions and warnings, such as those which Jacob Burckhardt addressed to his age two generations ago, are now drowned in the noise of the day. "The intellectual productions in art and science," he wrote, "have the greatest difficulty to keep from sinking as mere adjuncts to the acquisitions of great cities, to keep from becoming dependent upon advertisements and sensation, and from being swept along by the general unrest. Great determination and asceticism will obviously be required to live an independent life aloof from the confusion of today, if we reflect upon its relation to the daily press, to cosmopolitan trade and to international expositions."²

These words remind us of another, even more important problem, namely, whether and to what extent the culture of our own time has also received, substantially, a special impress from the economic age. That this is the case, there can be no doubt. But I shall survey the most important characteristics of our "modern" intellectual culture in what follows.

First of all, the distinctive characteristic of the individual in this culture is to a large extent submerged—or better, crushed under the mass of stuff. That is true of producers as well as consumers. The producer of knowledge, the so-called scholar, is smothered under accumulated knowledge. He hides himself in an ever-narrowing corner and develops a special field which he cultivates—all the more

² J. Burckhardt, *Welthistorische Betrachtungen* (1910): 206-7.

zealously, because he sees no need of a world-view of life (*Weltanschauung*) and because he lacks the objective mind which combines the essential parts into a connected whole. The creative artist suffers from a surfeit of impressions which storm in upon him, so that he is unable to collect and construct his ideas with deliberation, particularly since the styles of art change with such frantic rapidity.

There never was a time when there were so many unknown geniuses as now, all of whom, after the manner of Schopenhauer or Richard Wagner or Nietzsche, complain of their environment because they are not recognized. They all boast of their peculiar gifts and the uniqueness of their talents, but, in truth, in literature and painting, the one copies from the other and lives largely by his own imagination and the deification which he experiences in his more or less restricted community—which is also quite as unstable and insecure as he is.

Goethe anticipated the whole misery of the nineteenth century in all its aspects where, referring to this point, he said: "That undisturbed, innocent, somnambulistic work, through which alone great things can be achieved, is no longer possible. Today our talents all lie on a salver of publicity. The critical sheets, appearing daily in fifty different places and thereby dispensing gossip to the public, permit nothing wholesome to grow up. . . . There is gained, it is true, through the bad, largely negative, esthetic and critical journalism, a sort of half-culture for the masses, but for the productive talent alone, it is a maleficent fog, a deadly poison". . . (1824). How much the consumer of cultural values suffers in his soul through what is offered will be considered in greater detail later.

The second effect which the amassing of cultural products has exerted upon their quality is the lowering of the level of achievement. Not only because the average achievement becomes poorer when a larger number of persons—each for himself—is active, which is self-evident, but also because the highest measure of achievement is lowered to suit the average capacity. If in the United States 400 professors write on sociology, what else can be understood by sociology than to regard it as a collecting and recording activity.

In the third place the economic age determined to a considerable extent the content of intellectual culture, in that it offered the occasion for the development of an entirely new cultural form, an entirely new method of treatment.

What has taken place in the field of knowledge, of research and learning, I have already indicated: philosophy has been divested of its

universal character and displaced by separate sciences, while these, in turn, have been adjusted to the spirit of the time. To what extent economic interest was the driving force in all this is not only attested by the fact that not until our own time did economics develop a science of its own, which succeeded in discovering "an automatic law of economics," but in the far wider influence which that interest exercised in urging the development of a species of science which is ultimately destined to develop a material culture through the natural sciences. For to those who are obsessed with the ideas of the present age and are not concerned with "what there is within that binds the world together" but solely bent upon resolving nature into a consideration by which it can be controlled, the greatest achievement conceivable is to assign man to a position which enables him to extract nitrogen from the air or to build flying-machines.

But the influence of material culture and its development in the natural sciences may be seen not only in the ends sought; these sciences have received their whole impress through the peculiarity which characterizes modern economics and the technique of economics. I have indicated in an earlier study that modern natural science "came from a common source." I mean there was a common tendency in these two fields of culture—economics and the natural sciences—to regard all phenomena quantitatively: here the process of nature; there, the processes of economics. But then, both fields have also in common the tendency to the despiritualization and the objectivization of business. The cooperative division of labor in industry was also introduced into the natural sciences wholly according to economic procedure, which converted the independent, creative artisan into a factory piece-worker. But our highly developed technique has created in addition, for this branch of knowledge, such a complete material equipment with productive factors that the scientific worker of today has largely become a machine-worker.

But, to return, it is characteristic of all our sciences that the aims, methods and processes of the natural sciences were also applied to our intellectual sciences, thereby transposing them to that torpid state in which we largely find them today.³

Moreover, the fine arts have also been influenced by the age dominated by an economic technique.

³ The reader will find a more complete discussion of these problems in my *Die drei Nationalökonomien*, 1930.

If in literature and the other fine arts the "realistic" and "naturalistic" tendencies have ruled during the nineteenth century, it simply shows the conquest of the spiritual by the material, or the transference of inner values to external, visible forms. In the portrayal of environment ("Milieuschilderung"), as also in "impressionism," the dominance of matter becomes evident. The psychological novels of our period, which pursue psychology with a magnifying glass remind us of exercises in a psychology seminar. The theater, under the influence of a steady increase of material apparatus, has become more and more a place for developing technical dexterity.⁴

It is infinitely painful to speak of mankind in our own period, and all the more painful because it has been done so often⁵ and is still necessary to speak of it again. But the picture of our economic age, which I have tried to develop, would be altogether too incomplete if I did not also attempt to characterize, with at least a few strokes, the manner in which the individual has developed during this period. I shall do so in close connection with my preceding statement, because in that statement I have already paved the way to a considerable part of the solution of our problem. We shall only need to consider what values were taken from the individual in the last century, and what values were returned in their stead, in order to form a picture of man's spiritual condition, which may be easily completed by observations of life.

The heaviest blow which could have befallen humanity was the destruction of man's belief in God, which thereby severed his earthly existence from all transcendental relations. He who has effected this dissolution has already forfeited the true meaning of his life, even if its claims to all of the surplus had not become as inhuman as we find them now. What mankind has lost in values is clearly shown from the description of the dissolution and transformation process which I have attempted to give.

In this process of change man lost his connection with nature. The child of the city no longer knows the secret charms which nature offers in a thousand ways to the shepherdboy; the child no longer knows the song of the birds and has never examined a bird's nest; he knows not the significance of the clouds, drifting across the sky; he no longer hears the voice of the storm or of the thunder; no longer

⁴ cf. Chapter xvi under III.

⁵ See my books on: *Deutsche Volkswirtschaft*, 1903; *Das Proletariat*, 1906; *Der Bourgeois*, 1913; *Händler und Helden*, 1915.

grows up with the animals of the field and no longer understands their habits. Where the rustic understands nature's counsel in a thousand dilemmas of existence on the soil, the doors are closed to the son of the great city. And so a race of human beings has grown up whose rhythm of life is not determined by the manifestations of nature; day—night, summer—winter,—these are no longer *lived* through, but are taught as lessons in school. The new race lives an artificial life which is no longer a part of natural existence but is an involved mixture of scholastic instruction, pocket-watches, newspapers, umbrellas, books, sewage disposal, politics and electric lights.

With the crowding of man into the city, the particular relations to a definite nature are also disturbed; that is, to that natural environment in which as a child he played, to that environment in which his ancestors are buried, where he courted his sweetheart, where he established his hearth—his home.

If through city-life the original, congenial bonds between man and nature are severed for the greater part of humanity, then, by the dissolution of most of the earlier associations which we have already mentioned, the relations of man to man are disturbed. And that has perhaps become most ominous for the destiny of the race. For these relations, as they existed in the village and racial communities, in vocational and labor associations, meant not only a kindly comfort, but also a moral support for the individual; they bound him, it is true, but they also held and sustained him. Now that they have disappeared and now that the narrower family communities are gradually losing their binding power, the individual becomes isolated, more isolated perhaps than at any other time in history. For through everything that has taken the place of the old communions—the union, the party, the class, the great industry—the individual is bound no closer to his associates than a single grain of sand is bound to other grains in a large sand-hill. All of the new associations lack the peculiar coloring which the particular city and village community and the peculiar vocational and family communities had possessed. The individual always regards every other individual as an opponent with whom he has fundamentally nothing intimate in common; the only thing common is the wilderness and desert in which isolation and loneliness is the bond of union.

It has rightly been said⁶ that the people of today suffer from the disease of dehumanization, in that they believe in neither God nor man; that humanity has been taken from their life and their order of life.

We have already seen, with horror, that labor itself has lost its charm for men employed in modern big business. Here too we have a despiritualizing and dehumanizing process which robs the individual of an important support. If we also take into account that the external conditions of labor in a large number of big industries scorn all humanity, we will find the words of the Encyclical "Quadragesimo anno," which characterizes the conditions of modern labor, not too harsh when they tell us: "While the dead material improves the places which labor forsakes, the people there are destroyed in body and soul" ("iners . . . materia ex officina nobilitata egreditur, homines vero ibidem corrumpuntur et viliores fiunt").

The foregoing account may serve to show what new values have been given to man in our present age. There has been, above all, an easing and an enjoyment of existence through the "increase of wealth," designated by the English word "comfort," which originally signified strengthening or consoling. The poorest person also participates in this "consolation" in the form of paved streets, electric lights, street and underground railways, beautifully equipped cafes, public baths, parks, hygiene and many other excellent things. To this must be added a vast number of impressions: the bustling life in a great city, in department stores, in movies, the manifold excitements of various sports, festivals, political gatherings, the mass of intellectual material which is thrust upon the individual in the form of newspapers, books and lectures. And finally, provision has been made for a continuous change of scenery, so that the tempo of life may be a constant crescendo.

Now if we attempt to get at the meaning of all this, the most obvious fact is, that a robust, practical materialism has struck root in the soul of mankind.

We have already seen that we have become "rich"—so rich, indeed, in worldly goods as to be without a parallel in history. But it is precisely this wealth that has made us the slaves to our needs. If the capacities grew at a pace necessary to meet our demand for material

⁶ F. Gogarten, *Politische Ethik* (1932): 163f. There are many good descriptions in this book regarding the devastation of present humanity.

goods, the demand itself would always be a nose-length ahead of the means to satisfy the demand. Much has awakened the wish for more. And an unsatisfied longing has entered the heart of mankind and gradually filled it more and more. A high and then an exaggerated emphasis on material things has taken hold, among high and low, and started the chase for enjoyment. For it seemed to be a psychological law that the increasing spell which the use of material goods has cast upon us, created a void within us which (until the great conversion) we attempted to fill by increasing the excitation charm of the senses. Thus wealth created out of itself that fundamental temper which we have accustomed ourselves to designate as materialistic. In the abundance of luxuries which has grown up about us, the ideal emotions of the heart find their natural grave.

"Comfortism," the name I have given to this practical materialism, which means the deviation of the direction of human life toward amenity-values, brings the whole body of people to decay. For one must not think that comfort extends only to a small, upper class of the rich. Comfortism is not an external structural form of existence, but a definite kind and manner of evaluation of the forms of life. It is not in the object but in the spirit, and, therefore, may extend itself to both the rich and the poor.

The necessity, touched upon above, of filling the void created in the materialistic soul after each enjoyment by a new enjoyment, has led to the chase in which modern man spends his life. The capitalistic economic system was here the pacemaker in so far as it urged, in accordance with its nature, the acceleration of the tempo, so that the future would be continually anticipated by the present. Psychologically this urge to acceleration was effected in the endeavor to force into a limited period of time an ever increasing quantity of the contents of life. "The life of man in this system of tensions was a continual alternation of bending and unbending, which was never followed by relaxation."⁷

Now if we consider, what has already been shown, that this quest for new sensations and joys of life came at a time when individual existence was becoming more insecure, we shall understand that the chase was soon bound to lead to enmity, since it revolved about a struggle for the means of life and, therefore, a struggle against all competitors seeking the same pleasures. And, in fact, there never was

⁷ Paul Tillich.

a time in the world when there was as much enmity as there is today; never has a war of all against all raged more violently than now. It required no "theory" to kindle it: it sprang up of itself wholly out of the fundamentally materialistic conceptions which characterize our time.

For that reason the quiet contemplativeness and security of former times, resulting from comfortable circumstances, have disappeared. The care for tomorrow, the uncertainty of today have made constant attention to business necessary. The man of today—not man as such—posed as a model for Heidegger's⁸ "Man of Fear."

How this mental temper is manifested in its relation to our most important sphere of life—the sexual—has been strikingly expressed by a keen observer:⁹ "Modern man cannot give himself, in complete devotion and without hesitation, to the enjoyment of any pleasure. The very thought that his acts may possibly have unfavorable, material consequences surrounds him with external gloom. He is, therefore, as a rule, no longer capable of a complete devotion of his whole being to anything, not even in the sphere of love. He completely lacks that happy indifference and that inner buoyancy of the relatively primitive man, fortified by religion. The modern heathen will never rid themselves of the thoughts: 'what shall we eat, what shall we drink and wherewithal shall we be clothed,' in order that we may not be less than others. The eternal fear of pregnancy among so many married women is striking evidence of the depth to which we, the people of west-European culture, are sunk in materialism, compared with the past and in contrast to other peoples, such, for example, as the Russians."

And so we may summarize by saying that the human soul now, compared with its former kindness, has become desolate, restless, unsteady, hurried, empty and hard. The more tender emotions of the heart have retreated, while the functions of the will have become more strongly developed.

And if mankind has become desolate in its emotional world, it has become stunted intellectually. There is not the slightest doubt that the human race at present is more stupid than it was in earlier periods. An educated person of the seventeenth and eighteenth centuries was more prudent than one of the nineteenth and twentieth; a shepherd was wiser than a factory worker is today; a housewife of the old style

⁸ One of the leading German philosophers now in the University of Freiburg.—Editor.

⁹ Roderich von Ungarn-Sternberg, *Die Ursachen des Geburtenrückgangs*, 1932.

was wiser than a woman-student at the present time. But since the mental capacity of the race has not weakened during this period, how is all this to be explained? It no doubt has its explanation in the peculiarity of the modern materials for knowledge and in their elaboration and transference, which we have already mentioned.

I shall not here attempt to explain the functions or effects of modern science, because, as such, it has not greatly influenced the temper of our time or the nature of our society. If it had, we might be compelled to answer such questions as these: Why did Montaigne, Labruyère, La Rochefoucauld, Goethe, Nietzsche and others know more about the spiritual life of man than a modern psychologist? Why did old Brehm know more about the life of animals than many a zoologist of today? or Justus Moser more about economic life than the economic "theorists" of the present? The explanation is no doubt suggested in the fact which Goethe once enunciated in the profound observation: "Strictly speaking, one only knows a great deal, if one knows little."

What concerns us much more in this connection, however, is the effect which this material knowledge of modern science exercises, directly or indirectly, upon the so-called "spirit of the people" through books, pamphlets, newspapers, cinema, radio, lectures and other agencies.

We may mention as the most important effects the following:

(1) It *intellectualizes* men, so to speak. A characteristic mark of modern man, who by preference is always an urbanite, is his "zeal for education." The idea conveyed by this expression is supposed to mean, above all, the accumulation of a certain amount of "knowledge" which is, of course, largely learned from books which have already passed through the medium of conceptualized thought. It is not the contemplation of the *thing* that lures men on, not the instinctive, emotional comprehension of reality that they seek; nor is it the joy of creation or its effect that is dear to their heart. What is wanted is scientific "knowledge"; that is, an elaborated system of ideas. It is no longer the world and mankind that exercises the charm, but the "theory" of the origin of the world and of men; not the flowers but botany, not the animals but zoology, not the human soul but psychology—these are the allurements.

(2) In the abundance of the intellectual material which crowds in upon him, man becomes shallow, because he is no longer able to digest what is forced upon him. But the worst of all is this: since the indi-

vidual can no longer pursue the broad pathway to the sources of knowledge, it must come to him in a predigested condition in the form of catchwords which his senses are too dull to comprehend. These catchwords—one might call them intellectual bouillon cubes—constitute the mental nourishment of most people today who aspire to an education, but actually succeed in realizing only one-half or one-quarter of their aspirations—which is worse than no education. The man who is proud of the fact that he has freed himself from prejudice and superstition and, therefore, calls himself “free,” is sure to become enmeshed in an inextricable network of calcified theories, because he is far less free to change his position than was the natural man of an earlier period in the chains of his prejudices and superstitions. Now, whatever the conceptions which ensnare him may be called, whether atheism or Darwinism or class-struggle or anti-Semitism or internationalism or popular art or exploitation or social revolution or progress or reaction or race-lore or anything else—it is all the same—he is firmly ensnared.

The third effect which the generalization and increase of knowledge carries with it is what I should call

(3) the “frivolization” (*Frivolisierung*) of knowledge. By that I mean man’s indifference to, as opposed to admiration for, the many things with which this world is filled. If we consider, for example, the “educational film”—the most effective form of propagating knowledge today—we are shocked to see with what indifference and matter-of-factness the dulled masses receive disclosures concerning the most intimate and sacred things without being in the least aroused. If it deals with the life of plants or of animals or the sacred customs of foreign peoples or the virgin forest or the world of ice, the satiated masses devour all without a shudder, without reverence or without the least response. Formerly the nightly watches of the researcher or the fatigues of the mountain climber or the traveller or the pains and experiences of the hunter or the participation in a society of culture were experiences which were endured and enjoyed because they enabled one to get a direct insight into the world of wonders. They were great personal experiences but they are revealed today to everybody for a small admission fee in the cinema.

From out of this mental and spiritual conglomerate in which we find ourselves today, man has built up for himself, under the constant influence of the world about him, a peculiar scheme of creation which we can best understand if we compare it with the world-

evaluation of a child. We will find many similarities between the two, for that which is included in the ideals of these two worlds has very much in common, except that, naturally, as a whole, the world of the grown-up, common man of our time is based upon realities, preferably figures; that of a child, upon fancy. But the "ideals" which govern modern man seem to me to be chiefly the three following:

1. Veneration for bigness,
2. Rapid movement,
3. The ever new.

Let us consider these in order:

(1) *Quantity valuation*. There can be no doubt that the central thought of every interest today includes admiration for everything that is measurable and ponderable. In general, there rules, as a keen English observer (Bryce) has said, "a tendency to mistake bigness for greatness." Just wherein quantity counts for most does not matter: it may be the population of a city or of a country, the height of a monument or of a radio-tower, the width of a stream, the distance of the stars, the number of suicides, the number of persons carried by railways, the size of a ship, the number of persons in a symphony orchestra, the participants in a festival, the editions of a newspaper or something else.

(2) The rapidity of an event or of some undertaking interests modern man quite as much as things on a large scale. To ride in an automobile at 100 kilometers an hour, or to go by airplane at a speed of 200 kilometers—that is the thing which really impresses us as the highest ideal of our time. I have just read (on this beautiful spring day) in a creditable journal, a hymn, obviously intended to be serious, upon the charm of travel which closed with the following lines:

"Oh to move swiftly on the rails, the streams, the ethers,
Oh world delight! Oh chase of all the senses."

How often we speak of the "mania for speed"! And even he who cannot himself move about by flying, takes great pride in the high rate of speed which he achieved somewhere—anywhere. That the fast trains have again shortened their time, that the newest steamship has arrived three hours earlier in New York, that the "Zeppelin" has made the journey to Brazil in three days, that one now gets his mail at 7:30 instead of 8 o'clock, that Nurmi has lost the world championship, that a certain newspaper was able to give out a report (perhaps

false) as early as 5 o'clock in the afternoon, while the competitor's report did not appear till 6—all this is of intense interest to the remarkable men of our day; to them it is all very significant.

We have also developed a peculiar conception of the value of impressing upon the mind, as well as the memory, certain achievements in speed as if they were of the highest importance, a conception which finds application in comparing quantities, but which is only fully realized when greatness and rapidity are combined in one achievement, namely, the conception of a "record." All the delusions of greatness and of speed find their expression in this notion of a record. It has developed to perfection in the field of sports; and the most unsatisfactory spirit of "sportism," as I shall call it, has been engendered by the senseless staging of the "Olympiads" and other competitive sports. Sport has its justification only when a certain amount of meaning is incorporated, when, for example, it serves as a training for the warrior, as was obviously the case among those ancients who so gladly fitted themselves to serve the state. But "sport" bereft of its spiritual meaning is an idle pastime which is not worth taking seriously.

(3) The *new* lures our present generation just because it is new; and most of all, if it "never existed before." We prefer to call the impression which a report of the new, in the sense that it "never existed before," makes upon mankind, "sensation." No need to give proof of the fact that our age is "sensation-hungry" in the highest degree. The modern newspaper is, as we know, but a single illustration. Our amusements (a change of dance every winter!), the fashions (in ten years a race through every style that ever existed!), joy in new discoveries—which we seldom take time to prove: all and each speak for the great interest which modern man takes in things that are new, meanwhile always striving to find something which will again be new.

We may summarize all this in the formidable sentence: *The life of mankind has become meaningless*. Cut off from transcendental relations, cut off from directive ideas, man recoils upon himself, seeks the realization of his ideas within himself, and finds it not. "Through the severance of these relations man oscillates lonely within himself, surrounded by an unending void. In all his struggle to find the mean-

ing of life he is continually met with an iron breath of senselessness which drives him into silence and cold."¹⁰

In anticipation of objections to my presentation of our age, some clarifying observations should be made at this point.

Some will say that my statements are exaggerated, that they are one-sided, that they are false; that this is not a true picture of the glorious age that is past. I reply:

My presentation is, in fact, "exaggerated" in the sense that I have brought out determinate facts, but without this no one who aims at producing effects could proceed. "One-sided"—also, in so far as I have not considered all sides of the past cultural period, but only those few which appeared to me as important. "False"?—not if one believes that general validity demands only the establishment of facts, especially where facts may be indicated by figures. Now, it is a fact that every fifth person in America has¹¹ an auto; we are an industrial country; the number of newspapers in Germany has doubled in the last ten years; no one can change these facts.

The situation is, however, quite otherwise when it comes to the "spirit" which ruled the period. I believe I have comprehended it correctly, but it is, of course, true that there was also another spirit. For neither the religious, the old-Prussian, nor the idealistic spirit had vanished entirely from the earth during this time; and it is also true that different phases of the economic period showed different spiritual structures.

And the same is true to an even greater extent of the spiritual constitution of mankind. It would be foolish to assert that during the whole of the economic period all men were animated by the spirit of materialism, of technomania, of faith in progress, etc. What is true here is that only the tendency to acquisitiveness entered the minds of men to an ever increasing degree.

Now whether that spirit comes from God or the devil must be left to the decision of each individual; the token of value which I have set for the economic age can, therefore, be properly opposed by nothing but the truth. In fact it has nothing to do with the categories of right or wrong, and naturally still less with anything about "science." Nor does this book claim to be scientific, but rather political; which, however, does not imply that it is unscientific.

¹⁰ Paul Tillich, *Religiöse Verwirklichung* (1930): 199.

¹¹ But not necessarily owns.—Translator.

But some will say, "Yes, it was so once, but now it is different." To these I would say :

If you think of the political changes which countries such as Russia, Italy and Germany have experienced, it must be remembered that fundamentally a new political order in no sense implies as a consequence a new order of the style of culture with which we are here concerned. Russia, that country which has made the greatest fundamental changes in its constitution, is today, in its cultural aspects, still under the influence of the old spirit—not, indeed, of the Russian—but of the spirit which we have come to regard as belonging to the economic age.

In some of the other countries we see encouraging changes—in some spheres of life, while in other spheres, nothing or little has changed; yes, in some cases conditions have even grown worse than they formerly were.

In this connection we may also observe that the "new spirit" which is beginning to rule mankind, and sometimes forces it to turn away from economic values, is often forced upon it: to many it seems that the impoverishment of Germany, for example, in which all new forms of culture must make their beginning, is a regrettable fact which one hopes may very soon be reversed. In fact, many who are supposed to represent the new spirit would not object if we could begin again culturally where we were in 1913. That very many had not yet recognized the demon of technique but still believed in its miracles and, therefore, in eternal progress, I will merely mention in passing.

The great majority do not yet know what the real issue is, what the play is all about, as I said at the beginning. For that reason my representation of the economic age may still serve today—and perhaps for some time hence—as a summary of all that which is evil and must, therefore, be eliminated by a firm determination, if our culture is to be renewed. What I call "German Socialism" means, to state it negatively, nothing else than the turning away from the economic age in its entirety. But to understand what I mean by that, it will be necessary to perform a great deal of intellectual labor. I shall begin this by attempting, first of all, to acquaint the reader with the concept of "Socialism" which confuses so many heads.

PART II

WHAT IS SOCIALISM?

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CHAPTER IV

THE USE OF THE TERM SOCIALISM

TO establish the meaning of a word—unless it is to be used in a definite connection, as, for example, in ascertaining the meaning of a law or a scientific system—one must first make a survey of the use of language; that is, determine first what is understood by the term in a restricted sense, for example, in the scientific world or among specialists in different fields, or in a general sense among all classes. With a word such as Socialism, one must observe its use among all classes. And, in fact, many writers have already done this. We have various collections of definitions of the word “Socialism,” the most comprehensive of which, in my judgment, is that of an Englishman, named Griffith, who has collected in one volume 261 such definitions. These 261 definitions are not, of course, all different in respect to content; but if the circle of inquiry, which Griffith has confined almost exclusively to Englishmen is extended, the number of those differing at essential points is still counted by the dozens.

In order, then, to make use of this mere collection one must endeavor to arrange them in an order of groupings in which the definitions in each group shall have approximately the same meaning. This I have attempted to do and have accordingly grouped them under three separate heads:

First group: Socialism, meaning social “progress,” world improvement, popular happiness, cultural activity, merely a redemptive ideology or a term used in connection with a definite historical situation.

Second group: Socialism, meaning opinion, behavior, attitude.

Third group: Socialism, meaning a principle of a social order.

I shall now assign to each one of these three conceptions a few special characteristic definitions which I have essentially formed on my own account quite independent of the views at hand.

First group: The view that socialism means the same as social “progress” goes, so far as I know, back to Proudhon. At a gathering

of jurists he once replied in answer to a question from the chairman, "Mais alors, qu'est ce donc ce socialisme?" by saying, "C'est toute aspiration vers l'amélioration de la société." And when the judge answered, "Mais dans ce cas, nous sommes tous socialistes," Proudhon replied, "C'est bien ce que je pense. . . ."

In this sense socialism is defined by:

B. Malon: a summation of all the progressive energies of struggling humanity;

L. Bertrand: a condition of a higher civilization in which everybody with less and lighter labor obtains a right to all conveniences of life;

K. Notzel: "By socialism we understand in general the demand raised by individual persons or by a majority for a condition on earth through which mankind, and, indeed, all mankind, would be free from all misery. Socialism is based upon a vision of a heaven on earth. Its approach will be marked by the fact that here the reasons for all evil which could possibly afflict mankind in the forms and relations of a common human life will be demanded. . . ."

Moritz Kaufmann: "Every systematic effort under whatever name, to improve society."

I. W. Bowen: "Socialism—light in the darkness of a depressed world; hope and opportunity for all peoples; economic wisdom, political salvation, religious practice."

August Bebel's somewhat unusual and graceful definition also belongs here: "Socialism is applied science in all avenues of human activity." For in it there is still only expressed, in the last analysis, merely a faith, a hope, a longing, a redemptive ideology.

Similar notes are sounded in the circles of the German youth in what was formerly called the "League" movement. "Socialism is the passionate seeking for a fundamentally new form of life"; "socialism is the demand for a new state, for a new society"; "socialism is the sense of life of confederated youth." "The federated young generation throngs toward politics, throngs to socialism. . . . And socialism is not merely a question of the brain but of the heart, not merely thought, but faith. Youth does not merely wish to be thought intellectual, but to have lived and to be considered vital. Socialism is complete in politics and attitude, as all true politics and all true revolutions are complete. In this perfect sense Socialism is for us a cultural

movement. Culture, however, is not merely reason and morality, but also faith."¹

This conception of Socialism is paradoxically expressed as a cultural movement, as a redemptive ideology, by two authors whose intellectual views I shall present to the reader, namely, Oswald Spengler and Enrico Corradini. For Spengler Socialism is equivalent to late-capitalism; for Corradini it is equivalent to the nationalism of the so-called "proletarian" nation.

Oswald Spengler, who has also a second and entirely different conception of socialism, as we shall see below, characterizes Socialism as the "political, social-economic instinct realistically applied by a people in our stage of civilization but no longer in our stage of culture, which came to an end in 1800." It is of like significance with Buddhism and Stoicism: in general the highest attainable expression of our dynamic world view, namely, imperialism. "This consciousness, always becoming more distinct, I have called modern Socialism. It is that which is common in us. It is active in every (!) person from Warsaw to San Francisco, it forces every nation under the ban of its formative power. But only our present nations. There is no antique, Chinese, or Russian Socialism in this sense." (Also no Japanese?!—W.S.) "The occidental nations with anarchistic (!) instinct are socialistic in the sense of Faustian realism."²

Enrico Corradini proceeds from Marxism in that he sees an ideology of the exploited class. There he discovered that the exploitation of classes could be transferred to the nation and, with it, also the expression "Socialism."

One may distinguish between the exploited and the exploiting; the former are the proletarian, the latter the bourgeois nations, the chief among which are, according to Corradini, France and England and—since his book first appeared in 1914—to some extent Germany; but among the proletarian nations he ranks Italy first. The policy (ideology) of this proletarian nation is Socialism. "La definizione . . . del nazionalismo (è) questa: esso è il socialismo della nazione italiana nel mondo."³

¹ A lecture by Fritz Borinski at a Pentecostal meeting of the Leuchtenburger and Neuwerk districts. Quoted by Adolf Ehrt in *Totale Krise-Revolution?* (1933) and which gives a good survey of the currents of thought of the now defunct "Black Front" of popular Socialism.

² O. Spengler, *Preussentum und Sozialismus*; first published in 1920. Ed. 1932: 18, 26, 29.

³ E. Corradini, *Il Nazionalismo italiano* (1924): 156.

The class struggle within a nation corresponds to the class struggle between nations; the former recognizes the strike as the *ultima ratio*; the latter, war. The doctrine of Corradini has attracted a large following in Italy and is also represented in Germany.⁴

The very general longing and striving that underlie this faith have found a scientific formulation in the definition which Theodor Brauer⁵ gave to Socialism when he says: "Modern Socialism is a present criticism of a future social perspective directed toward a classless society as an end."

If one regards the doctrines of Marx and Engels as Socialism—admittedly the founders of "Marxism" have always avoided being characterized as Socialists—one may also regard their conception of Socialism as limited to a redemptive ideology of an industrial community of wage workers: "The theoretical statements of Communists are in no sense based upon the ideas or principles which were invented or discovered by this or that world reformer. They are only a general expression of the actual relations of an existing class struggle, of a historical movement going on before our eyes," as we are told in the Communist Manifesto.

And Engels in his "Anti-Dühring" called modern Socialism a "mental reflex," an "ideal reflection of an existing conflict in the minds of the laborers." In this sense I have called it the spiritual depression of the social movement, while von Scheel has characterized it as the economic philosophy of the oppressed class, and G. D. H. Cole as "the philosophy of the working class." Concerning the relation of "Marxism" to Socialism in general, I shall have more to say in the next section.

Second group: Under this head we will place all those conceptions of Socialism which define it as an intellectual-emotional attitude, that is, as an opinion.

Among these there appear, as a first variety, those who understand Socialism to mean a complex of men's duties toward one another. Thus not long ago Heinrich Maier⁶ summarized as a conception of ethical Socialism the virtues of "disinterestedness, self-denial, sacrifice and resignation toward brothers, defence of the weak and the oppressed, loyalty, social justice, regard and love for mankind in all

⁴ See e.g. B. Hans Zehrer, *Aussenpolitik und nationaler Sozialismus*. "Die Tat." (1933.)

⁵ *Der moderne deutsche Sozialismus* (1929): 9.

⁶ *Akademische Rede*, held on July 27, 1932.

its forms." As an anonymous writer briefly expressed it, according to Dan Griffith,⁷ "Socialism is the substitution of the Christ spirit for the Cain spirit in industry and politics."

To state it more clearly, Socialism may be defined as the duties which the individual owes to the community. "It is concerned," wrote Theobald Ziegler more than forty years ago, "fundamentally with nothing else than the moral development of man in the sense of a change of the individualistic spirit to the social spirit, an acknowledgment and conviction that the material culture, as all culture, contains a moral element which civilizes and that that which the individual has hitherto done purely in his own interest will in the future be more likely to coincide with the interests of all; and for that reason, instead of a one-sided consideration of private interests, a higher, general view will be taken of the whole community. In other words, the aim is to overcome egotistic individualism through moral socialism."⁸

Or, as the well known historical Socialist, R. Flint, has more briefly expressed it: "Socialism is the exaggeration of the rights and claims of society, just as individualism is the exaggeration of the rights and claims of the individuals." This conception of Socialism as an inclination toward the common good seems now also to be the view held by leading members of the German National Socialist Party.

Thus, concerning this point, Minister Seldte recently expressed himself as follows: In 1932 Hitler said, "Every true national thought is in the last analysis social; that is to say, he who devotes himself wholly to his people so that he really knows no higher ideal than the welfare of his people; he who so comprehends our great anthem, 'Deutschland, Deutschland über alles,' that nothing in the world stands higher for him than this Germany, people and land, land and people, is a Socialist. That was and is the Socialism of the soldier of the Front, Adolf Hitler, and that was and is the Socialism of the steel Helmet."⁹

And Dr. Ley, the leader of the "Labor Front," expressed himself upon the same question at the Labor Congress of the German Labor Front on the 10th of September, 1933, as follows: "National Socialism can claim for itself that it has developed the personality of the individual to the highest point of its capacity for, and not against, the community. That which we have achieved is true Socialism." This

⁷ Dan Griffith, *What is Socialism?* (1924): 86.

⁸ Th. Ziegler, *Die Soziale Frage—eine sittliche Frage*, 4th ed. 1891: 24-5.

⁹ *Ring* 1933, Heft 30.

is a view frequently expressed in behalf of labor in the organ of the "Labor Front." Bernhard Köhler, leader of the Commission for Economic Policy, as director of the German National Socialist Party expressed himself as follows: "Socialism has thereby begun its forward march in that we see our . . . duty, etc. Socialism is no economic form, but a moral duty" (printed in large type in the original). "Socialism is the realization of the moral consciousness in the life of the nation." That statement is equivalent in meaning to the party motto: "Common interest precedes self-interest." In this sense the theory of social services (service for all) of Henry Ford, the great automobile manufacturer, has been characterized as Socialism.¹⁰

This conception of Socialism is given a peculiar shade of meaning by some authors who use the term in the old Prussian sense. Oswald Spengler uses it in this sense in his book, *Preussentum und Sozialismus*, when he says: "The old Prussian spirit and socialistic thinking are one and the same thing."¹¹ "According to the German or, more exactly, the Prussian instinct, power belonged to all. The individual served all. There was a command and an obedience. Since the eighteenth century this has been authoritative Socialism."¹² "We Germans are Socialists, even if we never speak about it; others are incapable of being Socialists."¹³ G. Strasser also thinks "Socialism is intensive Prussian service for all."

German professors had long ago reduced these methods of consideration to a formula in construing Socialism as a "social principle" and, in fact, as one of two popular axioms upon which the social *shall* is based, namely, the sentence "that the community shall be the highest aim, the individual serving only as a means to its ends," in contrast with the "individual principle" which says "that the individual should be the highest aim, the social organization serving as a means to his end." This view of Socialism as a recognition of the social principle goes back to Heinrich Dietzel who formulated it, obviously at the suggestion of Lorenz von Stein and Adolf Held, who had defended it two decades earlier.¹⁴

When the social principle is inclined more to the side of emotion, it takes on the character of a community urge, to which Socialism

¹⁰ F. von Gottl-Ottlilienfeld, *Fordismus*, 3rd ed. 1926.

¹¹ p. 8.

¹² p. 18.

¹³ See also pp. 46ff. above.

¹⁴ See the article "Individualismus" in *Handwörterbuch der Staatswissenschaften*.

has also been likened. We find this conception expressed in a peculiarly happy form by August Pieper in many of his writings. Thus he once wrote: "Socialism is the bearer of a new sense of life and a new will to live," it is "the idea of a new, a higher, a more complete community of life and of common destiny, which grows out of an unselfish loyalty and devotion of man to man, than has hitherto been realized." "This idea flames up out of a great love which aims to build up a community of brotherhood in place of a cold rule of man over man."¹⁵

Something similar, no doubt, was in the mind of Dr. Goebbels, Minister of Propaganda, when he said in a speech: "This pathos expresses itself finally in the most wonderful virtue of the revolutionary overthrow, a virtue which in inarticulate form was already present in the war and which has now become a principle, the virtue of communion. You may call it what you will, Socialism or popular association or comradeship. Well and good, man seeks to know man, people seek to know people, what seemed irreconcilable becomes dissolved in one."¹⁶ We also find this same conception frequently expressed in *Arbeitertum*. Thus Dr. Ley: "What is Socialism? Nothing other than comradeship." And Wilhelm Fandler: "Socialism was and is for the German National Socialist Party clearly and unequivocally the doctrine (!) of the popular community, of comradeship, of the union of all, of the willingness and readiness of each individual to stake all for the community."

And A. H. Hofer frankly states: "Socialism is the old, now the renewed popular (national) community."¹⁷

This conception is also found in other countries. As proof I quote the words of the well known essayist, H. G. Wells:¹⁸ "Socialism is to me no more and no less than the awakening of a collective consciousness in humanity, a collective will and a collective mind. . . ."

The *Third Group* of definitions of Socialism includes all those that find in Socialism an objective principle of order.

This conception had, at its beginning, very naïve forms. I remember that in my childhood Socialists were always referred to as people who wanted to "divide"; and one also found opinions expressed in books that Socialism was primarily concerned with a revolutionary division of property. Paul Janet called Socialism the theory which asserted

¹⁵ A. Pieper, *Kapitalismus und Sozialismus als seelische Problem*, 2nd ed. 1925: 59.

¹⁶ *Angriff* of May 7, 1933.

¹⁷ A. H. Hofer, *Offener Brief* (1933): 6.

¹⁸ Quoted by Dan Griffith, *What is Socialism?* (1924): 81.

that the state had the right to equalize the inequalities of wealth in such a manner as to take from those who had too much and give it to those who had too little.¹⁹ Jean Grave understood by Socialism the transformation of society in the sense of a better and more equal distribution of the social wealth.²⁰

To what extent thoughts of this kind are still spectres is shown by some of the recent reports of commissions of inquiry. Dan Griffith²¹ tells us that an Englishman answered the question What is Socialism? as follows: "Imagine 100 people in a room: 2 rich, 8 comfortable, 60 poor, 30 starving—a leisurely ten owning as much as the working ninety. That is how wealth is distributed today. Socialism, alone of creeds, regards this as an evil to be remedied." And another, cited by the same authority:²² "The essence of Socialism is that it seeks to obtain the maximum equality in the distribution of material things among the community." Of the same tenor are the definitions of Socialism in the *Encyclopaedia Britannica*.

To this group there should also be added the majority of those conceptions which expect Socialism to do away with "exploitation." For exploitation, as a rule, is conceived of as a condition under which one receives less money for his labor than of right he should receive. That is to say, to abolish exploitation is to engage in the distribution of property in favor of the poor. That Socialism was held to be that doctrine which aimed to abolish ownership is also connected with this general line of thought.

But at the same time there was formed out of it all, especially in scientific circles, another conception which was widely received and is still regarded as the "ruling opinion." It is that which also sees the guiding principle of order related to private ownership, but which places the emphasis upon the ownership of land and the means of production. According to this view Socialism is understood to mean an economic conception based upon the common ownership of land and the means of production or "that which regards the aim of the abolition of private ownership in the means of production as desirable, or which means that we are about to be engaged in the development of this social order."²³

¹⁹ P. Janet, *Les origines du socialisme contemporain*, 1887.

²⁰ Jean Grave, *La société mourante et l'anarchie*, 1893.

²¹ What is Socialism? p. 51.

²² *Ibid.*, p. 85.

²³ K. Diehl in *Handwörterbuch der Staatswissenschaften*; 4th ed. under "Sozialismus und Kapitalismus."

This conception, which no doubt was so widely accepted because of its simplicity—that is, because it followed the path of least resistance (How convenient it would be if we could only be contented with it!)—apparently goes back to John Stuart Mill, who, so far as I know, first represented it and which, through the well known work of Albert Schäffle, “The Quintessence of Socialism” (1874), found its way to a larger public. “The beginning and end of Socialism,” we read there, “is the transformation of private competing capital to collective capital.”²⁴

Others have not been satisfied with this rather limited conception of the nature of Socialism and have searched for a general principle of order by which Socialism, as a social system, in particular on its economic side, is distinguished from other systems. At all events the general principles of order, expounded as such, differ very widely.

I shall again quote a number of definitions, first from “bourgeois” authorities:

Albert Schäffle (in his earlier period, namely, as author of “Capitalism and Socialism,” 1870): “Socialism is the non-speculative provision for all through the power of public force (!) and of humane, religious, intimate altruism.”

Victor Cathrein, the well known Jesuit father and critic of Socialism, although he does not summarize his thought in a single definition, nevertheless has in mind that economic system by which all productive property will be changed into the common property of society (of the state) and in which the production, as well as the distribution of the returns of production, is systematically organized by society (the state).²⁵

An especially elaborate definition of quite a different nature comes from another member of the Jesuit Society, P. Gundlach. According to this definition Socialism is a vital movement toward ideas of value and means, intimately related to a capitalistic age, for bringing about and perpetually securing the freedom and present happiness of all, adapted to the regulations of human society, formed by the highest experience of reason and divested of every characteristic of domination.”²⁶

With characteristic clarity Rudolf Stammler writes: “A Socialistic economy is a planned, centralized, forced economy.”²⁷

Johann Plenge²⁸ expresses himself somewhat indefinitely but still ultimately in favor of a principle of order: “Socialism is the predominant

²⁴ In 22nd ed. 1919: 11.

²⁵ V. Cathrein, *Der Sozialismus*, 10th ed. 1910, p. 8, 13, *et al.*

²⁶ Herder, *Staatslexicon*.

²⁷ *Sozialismus und Christentum*, 1919: 4.

²⁸ Johann Plenge, *Die Revolutionierung der Revolutionäre*, 1918.

longing for a higher, considered, many-sided order; it is an organizing spirit, the highest conscious cooperation for a common (!) order and, therefore, a power (?) which considers how much force and how much freedom should be secured for this order."

In this connection it is interesting to note the definition of our greatest German dictionary, that of Grimm, which reads: "Socialism is the striving for improvement, especially toward the transformation of the economic order and toward a more just distribution of property; generally used in a restricted sense to express those endeavors of Social Democracy which aim at the transference of the means of production to all and at a cooperative (collectivistic) plan for the production of goods and of a corresponding tendency of political economy (Marxism)."

The last sentence directs us to those persons who still hold to the earlier ruling tendency of Socialism.

Thus the former leader of the English Social Democracy gives this definition: "Socialism is the attempt to replace the Anarchistic struggle for existence with an organized cooperation for existence."

In Germany E. Bernstein called Socialism "the movement for, or the condition of, a cooperative social order."

Karl Kautsky in his "Directions for a Socialistic labor-program," defines Socialism, in the name of the Majority-Socialists and the Independents,²⁹ as "the democratic organization of economic life."

And in a pamphlet (1919) of the German Socialist Party we read: "Socialism means a planned economy of all for all. Instead of the hitherto million individual establishments, one common economy which regulates and sustains the production of goods (!)." The program of all English labor parties almost literally sustains this definition of Socialism.³⁰

But occasionally we also find in the writings of the National Socialists the conception represented that the idea of Socialism contains, as an essential characteristic, a general principle of social order. for such is the program of Thesis VIII of the "Corporative Economic System of Socialism" and also of Gregory Strasser's "Collectivistic Socialism and the Class-State of the Middle Ages."

The kind reader who has followed me thus far may now, perhaps—in view of the depressing number of definitions—be somewhat impatient and ask what Judge Proudhon once asked: "Mais alors, qu'est ce donc ce socialisme?"—"What in the world is Socialism then?" I shall attempt to answer that question in the following chapter.

²⁹ *Vorwärts*, Feb. 2, 1919.

³⁰ See Dan Griffith, *What is Socialism?* p. 97.

CHAPTER V

THE GENERAL CONCEPT OF SOCIALISM

BEFORE answering the question, What is Socialism? I must, even at the risk of losing the favor of the reader, answer a number of other questions. And first the question as to how I arrived at the concept of Socialism. I have already answered this question in part. I have pointed out how it is possible, by means of interpretation, to determine a concept, if it is a question involving the significance of the word Socialism, for example, in the system of Proudhon or of Marx or in the program of a party; I have also pointed out that if it were a question of the general significance of the term, it would be necessary to have recourse to customary usage: the former kind of definition I shall call interpretative, the latter analytical. But having established the fact that the word, according to usage, has many meanings, our definition cannot be considered complete, if our discovery results in a general concept. The question then before us is: What does its "use in the language" amount to, if the word has many meanings? There are two possible ways open: the democratic and the authoritative procedures, as we may call them. The democratic procedure would consist in discovering the customary application of the word, which would be best determined by counting. This method is preferred by Americans. They send out questionnaires, especially to the press, and check the number of replies according to the sense in which the term has been used and let the prevailing opinions determine the "correct" use. We must reject this method of discovering the truth by a majority rule.

The other method of discovering a general concept, which I have called authoritative, is the only one which I shall consider. I have always applied it and I shall apply it here. According to this procedure we must determine arbitrarily what a word *should* signify in order to convey the correct meaning in theory and practice. This will result in one of two possibilities: either we shall find among the various meanings which the word had in its earlier customary usage the "correct" meaning, in which case we have nothing to do but to elevate it to the dominant meaning, or, if no previous application of the word satisfies, we must give it a new meaning. There can be no doubt that

such a procedure is wholly justified, for what is right for thousands who have determined the concept before us, must be approved by us. This method of determining a concept I have called the "synthetic." That in thus creating a concept we are bound to conditions of a formal and objective nature, goes without saying.

Now if we examine the definitions of the word Socialism that have been given up to the present time to see what use we can make of them and consider, first of all, what relation they bear to one another, we must note that they are not "disparates," that is, not incomparable concepts, as, for instance, Goethe's poetry in general, and his mature poetry, but that they belong to the same "category" and, in fact, fall under one dominant concept (*Ober-Begriff*), a very general one, of course, such as might be called, let us say, a social relation. Among themselves they are "coordinate-subordinate": group I stands in the relation of a superior concept to groups II and III, which are both coordinate. But this does not help us much. We must direct our inquiry to the content of the various definitions and discover whether and to what extent they are suitable to our purpose.

This raises the further question whether we wish to let several concepts of Socialism remain alongside one another without bringing them into a superior and inferior relationship or to form a single—a general—concept of Socialism and designate the others as inferior concepts (quasi-concepts). This seems to me to be the more suitable procedure, since in the other case we should find ourselves compelled to speak of Socialism as group I, II or III, or as Socialism "in the sense of. . . ." But it also corresponds, it seems to me, to the spiritual necessity of the time to represent Socialism as having a single rather than several bearings. But which one of the various existing concepts shall we elevate to a general concept? or must we create a new general concept?

If we survey the definitions considered in the foregoing chapter, those mentioned in the first group seem in part too broad and in part too narrow. Too broad if Socialism is simply to connote plans for world improvement, future perspectives or redemptive ideologies. For in that case one might as well give Buddhism or the Jewish Promise or Liberalism the name of Socialism. If we transport ourselves to about the end of the eighteenth century, we shall find the same thoughts about redemption, the same dreams of happiness and the same promises attached to Liberalism which a little later were ascribed to Socialism. But cultural movements and cultural criticisms

are of the most diverse nature; they may rest upon a religious, an esthetic or an artistic basis.

But in the first group all of those definitions of Socialism which would restrict it to the emancipation of the proletariat, as Marxism would, for example, are too narrow. We shall see that there is a real Socialism which has nothing whatever to do with the modern proletariat.

Likewise the conceptions in the second group are in part too broad and in part too narrow. The conception of Socialism is too broad if it is understood to include the "Social principle" or the "Prussian spirit" or anything like these. Such men as Miltiades or Themistocles certainly dealt according to a social principle; they certainly admitted the "common good" in preference to the "individual good," but Plato, whom we must certainly regard as a Socialist, declared himself, in his *Gorgias*, as being very definitely opposed to the attitude of these men (because, although it was patriotic, he thought it was not "just"). But to liken the Prussian spirit as such to Socialism, also goes against our grain. The shooting of Katt or the condemnation of Prince von Homburg is certainly Prussian, but it certainly has nothing to do with Socialism, if we wish to give this word a reasonable meaning.

On the other hand our conception will be too narrow, if we attach it to a definite meaning, similar to the one just mentioned. For we would thereby exclude from the conception of Socialism significant aims and tendencies which must be regarded as part of it. For example, proletarian Socialism accepts all but the social principle and the Prussian spirit.

But now, in view of the definitions of this entire group, we must consider that along with the avowal of Socialism there must be attached the obviously important conception that a mere attitude, a mere opinion, is not sufficient to realize the ideals which the Socialists visualize in one form or another. They will always cherish doubts—and these doubts will form an essential part of the Socialist belief—as to whether good opinion can, in fact, become the common good of all mankind and bring about the social conditions definitely striven for. The Socialist will further raise doubts as to whether, if the new spirit should take possession of all men, which is unlikely, it would have enough force to transform society according to their wishes; in other words, whether there would be enough intelligence at hand to realize the social ideal. At present Henry Ford is often cited as the man with the social attitude, par excellence, yet who, by his very

social attitude, brought his country to the brink of ruin through the overproduction of automobiles; positive proof that good will is not enough, unless there is a corresponding intelligence. In other words, the Socialist justifies his position on the ground that he regards the attitude of the individual as essential to the formation of a general norm in an external order.

We shall, therefore, find the best answer in the third group, for here we have to do with definitions which regard Socialism as a principle of order. But this view is not satisfactory; nor are any of those concepts which regard Socialism as a purely economic problem. Something more is needed. Obviously the concept of Socialism goes beyond economics and concerns itself with the order of all social relations. Even the few definitions which attempt to regard Socialism as a general principle of social order, as, for example, Rudolf Stammler's conception in which "economics" includes the whole content of the social life, are still open to the criticism that they attempt to determine by their content this principle of an order. But it seems to me that the condition necessary to a definition of Socialism of general validity requires us to eliminate all determinativeness as to content and to state it in a purely formal manner. This is what I have determined to do and so shall define Socialism as *social normality*.

By this I mean a condition of social life in which the conduct of the individual is determined by obligatory norms which have their origin in a universal political community based on reason and which find their expression in custom (*nomos*).

That means the following:

Obligatory or positive norms subordinate the conduct of the individual (and naturally also of all groups of individuals). That is to say, conduct is directly controlled through commands and prohibitions. Norms, that is, of an order, subordinate the whole existence of man as a spiritual being, for there is no such thing among men as an existence wholly in accordance with the forces of nature. But the order may take on various forms: it may either give personal freedom of action the greatest possible elbow-room and leave the formation of the social life to the destiny of individual planning; in which case we may call it a free order and "permitted" norms. Or the order may influence human action at every turn through commands and prohibitions, in which case there is a "constrained" order, consisting of "obligatory" norms, which gives us social "normativism." A few examples will make the distinction clear: there is an order

of property in every community. But this may carry with it a free right to property, giving to the individual property-owner, according to his own judgment, the right of *use* and *abuse*, alienation, bequest, etc., of his property, or there may be a limited right to property in which restrictions are placed upon inheritance, alienation and bequest, so that ownership in certain things (as means of production or land) or in all things are forbidden.

Take another example: in an order regulating the use of a public park there may be a rule that the park is open from 8 o'clock in the morning until 4 o'clock in the afternoon (a permissive norm), and another rule that dogs must be on the leash (an obligatory norm).

In a state of social normativism the norms have their origin in reason, that is, in the *logos*, in the *ratio*. They have come to mean *κατὰ φύσιν*, since Plato (in *Gorgias*), by means of an artificial jugglery, gave to the word *φύσις* the meaning of "true" nature, that is, reason—a meaning opposed to the original sense of the word. It implies commands of reason which, in law, find their expression in custom. That is to say, it does not refer to commands of love nor to commands of God, in so far as these apply merely to the "Kingdom of God." Commands of reason are not custom (*nomos*) merely in reference to Socialism. The society formed according to the norms of reason is, then, the just one. The reason, which is said to govern the norms, is rooted in the political community and is, therefore, general. The political community is the state.

The norms of morality do not create Socialism, neither do the commands of the church, nor the rules governing a cloister, nor the habits of a class, etc. But if we regard custom as equivalent to Socialism, in so far as it contains obligatory norms, Socialism has always existed.

Every punishment for murder according to law, is Socialism, in contrast with impunity for murder or with revenge for bloodshed; all compulsory education in the public schools is Socialism in contrast with a condition in which there is no public education at all or where it is carried on by means of private instruction; every law for the protection of labor is Socialism in contrast with the free exploitation of the employer; yes, every prohibition: "No smoking," "Do not open the door before the train stops," "Do not pick flowers," is the same kind of Socialism as that of every public prohibition: "Turn to the right," "Pay your taxes," "Silence!"

In the face of this wide range of the concept of Socialism, as we have here defined it, one may ask, is it not too devoid of content and, therefore, without value, inasmuch as it fails to delimit or "to define" definite facts? Not at all. We need only to keep in mind that while there are socialistic principles in all human society, that a socialistic society must have more definite limitations placed upon it than one in which Socialism is the *ruling* principle of order, that is, in which human conduct is fundamentally and generally subjected to a plan.

By way of contrast, a liberalistic society (not individualistic; "individualistic" is always wrong) would be one based upon the principle that would permit the individual to make arbitrary decisions in so far as they are not in conflict with the commands and prohibitions of the state; in other words, where arbitrary decisions would determine the conduct of the individual only to the extent expressly permitted by the state. Briefly put: complete freedom in so far as there are no prohibitions or commands; complete regulation in so far as freedom is not expressly declared.

If we regard the order of human society from a polar point of view, we may say that it lies between the two extremes of free will and of regulation. Absolute free will and absolute regulation are unreal boundaries; there never was and never can be a condition of absolute free will: Anarchism is Utopia. Neither was there ever a condition of absolute regulation, nor can there ever be: no political order of the world can ever or will ever wish to determine whether one is to eat one's soup hot or cold, put on one's coat from the right or from the left, or command one to sleep lying upon one's back or upon one's side. Every society is more or less liberalistic and more or less socialistic, but we call it either liberalistic or socialistic, depending upon whether the principle of the individual free will, or of regulation, determines its nature. This distinction is especially evident in the field of economics: a liberalistic economy is a fundamentally free, a so-called competitive economy; a socialistic economy is one fundamentally controlled—a so-called planned economy.

The movement toward a regulated social order, we call socialization; the movement toward a free social order, liberalization. Historically considered, these two principles of free will and regulation alternately dominate, as do also the two movements of socialization and liberalization.

The history of the West points to a strong liberalistic tendency in Greece in the fifth century before Christ, against which there remain

only individual literary attempts of counter-movements which find their highest expression in Plato's state. In the Roman empire, the last ten years of the Republic and the first hundred years of the Empire signified an increasing liberalization which the legislation of Diocletian attempted to check.

But neither of the two movements took on an important significance until we come to the period of modern history. Here began, as we have seen, the process of dissolution; here also began the liberalizing or, as so often (wrongly) stated, the individualistic tendencies which were observable at the end of the middle ages and which gained strength from the eighteenth century onward.

Then in the nineteenth century the counter-movement, which was socialistic, set in on a grand scale. Since the unfettering of the social forces had led, above all, to the dominance of the economic and to the subjection of all life to the economic forces and its laws, the socialistic movement of the new period directed itself against the primacy of economics: the battle cry of Socialism became, "Away from economics." In this aim all socialistic endeavors, whatever kind they may be, are agreed.

In all socialistic movements of our time, there comes to the fore the revolt against the conditions which we have described as the result of the economic age. If we are to understand the foundation upon which all modern Socialism rests, we must call to mind the component parts from which our culture is constructed: the spirit of Christianity, general education, legal freedom and equality, the rule of the white race over the world, the capitalistic economic order, the factory system of great industry, modern technique, the press, science with its art of systematization, etc. All these have delivered the material for the building up of modern Socialism, all have determined the nature of its criticism and the extent of its advancement.

But still another essential characteristic of our time—one which I have not yet mentioned but which constitutes its driving energy—must be taken into consideration: I mean the enhanced feeling of responsibility toward society as a whole and toward its individual members. In the socialistic movements of our time there are, as has been strikingly stated, "manifestations of a social conscience." "We are experiencing an unrest which arises in consequence of a neglect of duty toward relations which do not happen to disturb us personally

and are not directly subject to our influence.”¹ With the awakening of the “social conscience,” all Socialism came into the world, beginning with Plato, who, as we have seen, expressed his doubt as to the “justice” of the great men of Greece. And so perhaps Socialism, after all, marked that “crack,” as Nietzsche called it, which the natural life of mankind received.

If from all that we have said above, it is possible to discover a marked characteristic—a formal and fundamentally distinct method or means of fashioning human society—which is as common to all conceptions of the nature of Socialism as it is to all socialistic movements and which through this discovery can give them both a reasonable meaning, we must still remember that there are an unusually large number of meanings attached to the use of the word Socialism, in the customary use of the language, which are not contained in my definition and which we cannot disregard. We must also bear in mind that men who call themselves Socialists—and are Socialists—contend most passionately among themselves, as, for example, the Marxian Socialists and the National Socialists. These contrasts within the socialistic movement lead us to conclude that Socialism does not always mean the same thing but is often used in very different senses. The varieties form different kinds, or constitute different performances, of Socialism, which we will now consider.

¹ K. Nötzel, *Einführung in den Socialismus* (1919) : 67.

CHAPTER VI

THE KINDS OF SOCIALISM

IN order to show the different kinds of Socialism which exist, we will employ the same method which we used to ascertain the general concept of Socialism: we will again take, as the point of departure, usage. Except that now our point of view must be directed toward the different characteristics of the individual kinds of Socialism.

These have already been indicated in abundance in the definitions which I have given and have grouped in the preceding chapter. In fact many of those definitions characterize particular kinds of Socialism, though their authors wrongly thought that they had defined Socialism, that is, had comprehended the general concept of Socialism.

Aside from these definitions of Socialism, usage now offers us still another method of treatment by which we may ascertain the different kinds of Socialism. We know, for example, that there are many nouns and adjectives connected with the term Socialism, obviously for the purpose of designating a particular kind of Socialism. Every limiting modifier of a word certainly implies the thought that there are different concepts that may be expressed by that same word. If I say "a beautiful day," "a colorful person," "poor work," I imply that there are different kinds of days, different kinds of persons and different kinds of work. From these considerations I have collected a large number of restricted designations of the word Socialism—confined, however, to the German language—all of which I have found in print.

Confining myself to the German language alone, I have collected from the printed page 187 different uses of the word "socialism," limited in its meaning by either noun or adjective modifiers, as, for example, State Socialism, Guild Socialism, Christian Socialism, German Socialism, Agrarian Socialism, General Socialism, etc.

These 187 designations (which doubtless could be increased—I shall myself add a few more below), of course, do not designate that many kinds of Socialism, any more than our statistics of occupations (in 1925, about 13,600) indicate the exact number of different occupations, since we often employ different names for the same general vocation, such as joiner and carpenter or tinker and tinsmith;

but our list contains, nevertheless, a sufficient number of actual varieties to illustrate what I have in mind. We will attempt to master the material of actual experience by giving the chief characteristics of the different kinds of Socialism and placing them in orderly groups. We may regard the differences from three separate points of view. There are three different kinds of Socialism :

1. according to the nature of the socialistic order as conceived, striven for, or already realized ;
2. according to the establishment of this order ;
3. according to the view or sentiment from which this order is constructed, thought out or striven for.

1. According to the nature of the social order there are different kinds of Socialism in respect of space or amount, of time and of form.

In respect of space and amount, there is a total and a partial, or a complete and a participating Socialism, according to whether the socialistic principle is applied to all or only to particular departments of society ; wherefore it is necessary to keep in mind, as I have already explained, that there is no such thing as a really "total" or one hundred per cent Socialism.

Suffice it to say, the socialistic order is virtually extended to all avenues of social life—to all economic, all educational, all population processes, etc.—as, for example, Russian Bolshevism is doing it today, in order to create a total Socialism in contrast with a Socialism which leaves intact the individual peasant or handicraft economies.

In respect of time there is a distinction between socialistic endeavors which envisage an order which is the same for all time (and all places) and one in which, depending upon the historical condition of the country, the order changes. We may call these two *absolute* and *relative* Socialism. Most of the socialistic systems represent an absolute Socialism.

An especially important distinction between the conceptions pertains to the *form* of the socialistic order. Here, indeed, the distinctions are great ; there are opposing views, by reason of the fact that those who consider the question proceed from fundamentally different standpoints in their thought concerning the building up of a society. Some have, as a starting point, an abstract leading idea ; others, a total view of a human society, a concrete, visible idea of formation. The latter are given to illustrate, through comparison, how the organism or a spiritual harmony is formed (Plato), or how a musical harmony, grows out of the proper relations of the individual tones to one

another and to the entire work (Augustine). The former would make all members of society, which they regard as made up of disconnected individuals, participate in the leading idea and thereby come to demand equality; the latter see the realization of their idea in the proper placing of the individual in the structure of the whole society and thereby come to demand inequality.¹ At this point the fundamental difference of the two performances of Socialism become distinctly evident; the one is animated by sentiments of equality; the other, by inequality. Both would be just: *διχαιοσύνη* has remained as the leading idea of all Socialism since Plato's time. In a formal sense justice can have no better definition than that given by Ulpian at the beginning of the *Digests*: *Justitia est constans et perpetua voluntas, jus suum cuique tribuendi*. "Every one his due?" Yes, but when? Here, in the material determination of justice, the spirits disagree and the two tendencies of Socialism answer the question with opposing views: the one says, "each the same"; the other, "all different."

There are no fixed designations for these two so important kinds of Socialism. One is tempted, according to the dominant characteristics of their systems, to place the two opposed to one another as equality and inequality Socialism. But perhaps it would be better to designate them according to their fundamental setting as Socialism of *individuality* and of *totality*. But there is still a long list of adjective modifiers by which we may characterize the different tendencies. I have called the one tendency the organic, morphotic, tectonic, concrete, observed, class, national, or state, Socialism; the other, the mechanistic, amorphous, superficial, abstract, considered, international, or social, Socialism.²

2. If I wish to distinguish the manifold varieties of Socialism according to the *establishment of the social order*, I do so in a very different sense. There are several possibilities. The question may concern itself either with the approach or realization of the socialistic order, or how it is to be brought about, or its origin, as the following considerations will show.

There are different conceptions as to the possible ways in which the socialistic order is to arrive or be realized. Some assume that its coming is according to a law operating through natural processes; others believe that it is brought about out of a condition of freedom

¹ Because if individuals are properly placed in society they would not be equal.
—Editor.

² In my introduction to *Grundlagen und Kritik des Sozialismus* (1919): viii.

through a creative act. We may call the one *according to chance* (*evolutionary*), the other *according to an act* or *according to the will* (*voluntary*).

Those methods of consideration which regard Socialism as necessarily growing out of natural processes have led to the conception that Socialism is a problem of knowledge and not of will and have introduced the designation *scientific*. This designation was, as we know, coined by Karl Marx and Friederick Engels and it has become a part of the Marxist doctrine. I have already discussed this question elsewhere³ and have shown that at this point it is a question of misunderstanding—a question to which I shall again recur in the course of my discussion.

The distinction between Socialism according to chance (*evolutionary*) and according to will (*voluntary*) has become superficial through the well known and easy contrasts so readily drawn between an *evolutionary* and a *revolutionary* Socialism—contrasts in which the mind is usually directed to the merely formal difference of means which are applied to bring about its realization; that is, whether the means are of a legal or an illegal nature.

Fundamental and, therefore, significant are also the different views concerning the origin of the socialistic order. Here we find two opposing conceptions one of which assumes a human, the other a divine origin, inspired by the commands of reason, which finds its realization in a socialistic order. We may accordingly characterize one as temporal (profane) and the other as divine (sacred). The former assumes that the socialistic order is human, the latter that in it divine reason finds its expression. Midway between these two conceptions are those which combine early Socialism with the period of enlightenment and which believe in a "natural" order (the so-called order of nature) of a deistic origin.

Sacred Socialism is evident today in a number of tendencies which are characterized as Christian, religious, evangelical, and Catholic Socialism. Concerning these I must, according to their significance, say something more in detail, in order to dispose of the matter once for all.

Christian Socialism, which, as a fully developed doctrine is now about one hundred years old but which in the socialistic movements of the Christian sects goes back to the middle ages, bases the justifica-

³ See my *Der proletarische Sozialismus* ("Marxismus"), 1924, vol. I, Chap. 22.

tion and urgency of Socialism upon the holy scriptures. As proof it ascribes the communistic mode of life of the early Christians to "Jesus, the first Social Democrat!"; it cites Biblical passages such as Genesis 1 and 2, Corinthians 12, and others, and refers to the Promise of the kingdom of God. It is this idea, above all, which serves Christian Socialism as a justification of its movement. Grounded in this faith the Anabaptists and Levellers of the sixteenth century endured excommunication; so too, the followers of Lammenais and other communistic sects at the beginning of the nineteenth century suffered for their belief, while the renewers of a radical Christian Socialism of the latest period found refuge in the same doctrine.

Blumhardt, the younger, who was really the father of recent religious Socialism in Germany, said in effect: If a society arises, born of bitter need, and strives for this (communistic) end in order to be released from the world of money and the period of money—who will prevent me from extending my hand to this society in the name of Christ? Who will prevent me from giving it the right . . . in the hope that, in spite of all present corruption, we shall enter upon a better period (!), a time in which it may be truly said, "Peace on earth!" This "kingdom of God on earth" would also conquer the state and, therefore, the commands of God would rule the temporal order of the state, etc. Thus, Ragaz of Switzerland permits himself to say: "This kingdom of Christ . . . is a reality, an order of human affairs of a very distinct kind which is as tangible and actual as a temporal empire. The affairs of Christ are not a religion, but a polity (commonality)."⁴

We find similar expressions from such men as Max Bürk, Otto Herpel, Pastor Eckert, Karl Barth (earlier), Paul Tillich and others. Under the banner of Paul Tillich we find a large number, mostly of Jewish persuasion, who as "religious Socialists" proclaim an almost purely Marxian Socialism. Tillich has undertaken to give the Marxian dialectic a religious foundation. Marx, he thinks, "feels himself as the bearer of a struggle for the kingdom of God; he senses a mission for himself and for society as a whole."⁵

To these Christian and (Christian-) religious Socialists it may be replied that to base their socialistic demands upon Christianity is, it seems to me, an inadmissible interpretation of this doctrine, in so far as it claims to rest upon the holy scriptures. So far as the alleged "Communism" of the original Christians is concerned, it has been

⁴ cf. Gerda Soecknick, *Religiöser Sozialismus*, (1926) : 82, 83.

⁵ Paul Tillich, *Religiöse Verwirklichung*, (1930) : 205.

proved often enough⁶ that, at the first beginnings, there were only small groups of the faithful who wandered about with a common travel-fund, that these groups soon disbanded, and that out of the communal life of the Communists, there soon sprang a purely festive cult, while the practice of common meals became a service for the poor. Thereafter there were the rich and the poor; "slaves and princesses marched to the same altar." And Christianity now no longer taught the abolition of social distinctions, but the abolition of the importance of giving social distinctions emphasis in the face of a common relation to God, which made all, of whatever station, brothers and sisters. If one does not reduce Socialism to a mere state of mind, but always thinks of it as a demand for a definite external order of society, one must certainly admit, as a fundamental principle of Christianity, its complete indifference toward this external order: for the Christian this is an adiaphorism. Such words of the Master as "Give unto Caesar the things that are Caesar's," "The lilies of the field," etc., and many others, as well as the Pauline conception of a calling, say plainly enough: one may be a good Christian in every social order; it all depends upon whether our life is such "that we have as if we had not," that we do not set our heart on possessions, that we do not serve two masters. "The true and highest principle of Christianity is to live in the world above the world."⁷ Neither Jesus nor Paul thought even remotely about criticizing the existing order of society or demanding a change in its form.

This misunderstanding becomes most palpable when the idea of the kingdom of God is distorted to an ideal of a socialistic order of society. The Master has surely taught us that "the kingdom of God is in us" and that "His kingdom is not of this world" (which belongs rather to Satan). We should make a sharp distinction on the one hand between the questions of "heathen" law and worldly justice, which can only be solved from the mundane standpoint, and the questions involving love for Christianity which, on the other hand, are to lead to right relations with God. Christianity can never answer earthly questions; it has to do with unconditional values; Socialism, with conditional, as Rudolf Stammler has expressed it in striking words. Mar-

⁶ The most concise in the work of H. v. Schubert, *Christentum und Kommunismus*, (1919).

⁷ H. v. Schubert.

tin Luther,⁸ as we know, also resolutely proclaimed this view. "It does not help the peasants," we are told, "against the rapacious and murderous peasants," "that they allege that, according to Genesis 1 and 2, all things were created equal and common and that we all alike were baptized. For in the New Testament Moses is not an authority, but there our Master Jesus Christ stands and calls on us to subject our body and all we have to the emperor and the civil authorities." And again we read: "God has subordinated the worldly regiment to reason because it is not to govern the welfare of the soul or the eternal values, but only worldly and temporal affairs which God has subjected to man" (Genesis 2). Moreover, the Gospel teaches nothing about how to control or to govern, except that it commands one to honor the government and not set one's self against it. Therefore, the heathen may well speak and teach concerning this (as, in fact, they have done). And, to tell the truth, concerning such matters, they are far above the Christians.

We must admit that, through a scrupulous examination of the sources, we are led to the conclusion that there is no such thing as a Socialism that is based upon the gospel—that is, a Christian Socialism, or an evangelical Socialism. One could conceivably construct a Jewish, but not a Christian Socialism. And the severe criticism which once Lorenz Stein,⁹ and more recently Max Scheler,¹⁰ directed against the misuse of Christianity for secular-social purposes, do not appear to have been unjustified. That is to say, Christian Socialism (evangelical, religious) as such, came not as a full-fledged performance of Socialism, but precisely as a degenerate "variety." It misunderstands either Christianity or Socialism, or both, and serves in most cases merely as a veil, wrongly adopted, under which a very definite and very worldly endeavor lies concealed.

The problem of Catholic Socialism is entirely different. In fact there is such a Socialism and it is the only sacred form that exists today. Sacred Socialism, so far as the Catholic doctrine demands a socialistic communal life and an order erected upon it, has a divine origin. But this order, in which the highest legal norms, acknowledged by the state as such, are contained, is not the gospel, but the *natural law*. The law of nature which, however, the evangelical church does

⁸ W. W. Weimar ed. pp. 51, 242; cited by F. Gogarten, *Politische Ethik* (1932): 110.

⁹ L. Stein, *a.a.O.*, pp. 307, 444.

¹⁰ M. Scheler, *Gesammelte Aufsätze*, p. 202.

not recognize, had its origin in a welding together of the Biblical doctrine of the Old and the New Testaments, above all, the Decalogue with the Aristotelian and Stoic philosophy, in which the eternal law became recognized. This natural law contains a complete plan of a social order which is to be realized here on earth. According to this plan the living together of human beings will not be determined by an arbitrary transaction of individual persons or groups of persons, but will be put under objective norms. The aim is a socially ordered common life in our sense; it is a social normativism. Particularly true in the field of economics.

This Catholic Socialism is now again proclaimed on a large scale in the admirable encyclical, "Quadragesimo anno" (1929) from which I will extract certain passages as proof of the correctness of my deductions.¹¹

It is there stated (II, 5) that: Free competition in industry . . . is an impossible regulative principle of economics. Experience has demonstrated this to the point of weariness. There exists, therefore, the urgent necessity of placing economics under a real and radical principle. "Necessarium . . . rem oeconomiam vero atque efficaci principio directivo iterum subdi et subjici." The formation of society should be entrusted even less to the monopolistic capitalism (oeconomicus potentatus) of today than to free competition. "Power is blind, force is tempestuous." Rather, there must be higher and nobler forces which will place the economic power under strict and wise discipline: *Altiora et nobiliora exquirenda sunt, quibus hic potentatus severe integreque gubernetur: socialis nimirum iustitia et caritas socialis: Justice (ratio) and love. Only justice comes into consideration for the external order; it must completely permeate the political and social regulations: socialis vitae totius instituta ea iustitia imbuantur oportet.*"

A legal and social order must be brought about which gives economics wholly the impress: "maxime necessarium est, ut (iustitia) ordinem iudicum et socialem constituat, quo oeconomia tota veluti informetur."

These thoughts are then individually developed and summarized (III, 3a): "All true expert social reformers strive for a complete rationalization which would reestablish the right order of reason in the economic life." "*Quotquot sunt in re sociali vere periti (!), enixe expetunt compositionem ad normas rationis exactam, quae vitam oeconomiam ad sanum rectumque ordinem reducat.*"

¹¹ Pius XI. Circular letter concerning the Social order (de ordine sociali instauranda!). Authorized edition.

We now still have to consider the important distinctions between different kinds of Socialism.

3. According to the opinion out of which the movement and order develops. If we steer clear of details, in order to get the essential thought which determines the fundamental attitude of men toward the things of this world, we will strike upon a polar contrast, which I have attempted to elaborate in my War-Book,¹² and which, even today, together with my notes on the two conceptions, appears to me as the correct formulation. The contrast is that between the *trader-conception* and the *heroic-conception* of the world. In that work I said: "By the trader spirit I mean that world-view which meets life with the question: Life, what do you hold in store for me?—that which regards the whole existence of the individual as a sum of business transactions, which concludes, to the best possible advantage for self, every account with Fate or with a beneficent God (the religion of the trader-spirit is likewise always stamped with the thought of self), or with one's fellow-beings either as individuals or as a whole (that is, with the state). 'Happiness' is the highest aim of human endeavor. 'The greatest happiness of the greatest number' is the form in which this 'ideal' has been coined for all time. What constitutes this 'happiness' for the creation of which the enormously complicated apparatus of the whole world must be set in motion, must, of course, be decided by each individual, according to his personal bent of mind. But still, a sort of general average opinion may here be determined. 'Happiness' is comfort with honor. The 'virtues' which one must cultivate are those which might be vouchsafed to a peaceful concourse of tradesmen. They are all negative virtues, since they only require us *not* to do a thing which, perhaps, according to our instinct, we would like to do. Among these negative virtues may be mentioned: temperance, contentedness, industry, sincerity, moderation in all things, humility, patience and the like."

For the heroically minded, on the other hand, life appears as a task or a mission. "Since we live, we have a mission to fulfil, a task which resolves itself in a thousand other tasks in our daily life. Life is a mission in so far as it is given to us by a higher Power. When we exhaust the content of life, we give ourselves up to our work; and this devotion of self gives us the only abiding satisfaction which our earthly life can offer us; it gives us peace of mind, because through

¹² *Händler und Helden*, Munich-Leipzig, 1915.

it we bring about that harmony with the Divine, to be torn and separated from which gives us the deepest earthly pain and suffering."

"But the virtues of the hero are in contrast with those of the trader; they are all positive, life-giving and awakening, they are 'bestowed virtues'; the will to sacrifice, loyalty, inoffensiveness, reverence, valor, piety, obedience, goodness. There are also military virtues—virtues which find their full development in war and through war, as all heroism was first fully developed in war and through war."

Trader and hero: they form the two great contrasts; they likewise form the two poles of all human orientation on earth. The trader, as we have seen, enters upon life with the question: What can life give me? He wants to get for himself the greatest possible gain for the least possible achievement, he wishes to make life a gainful business; that means, he is poor. The hero meets life with the question: What can I give to life? He wishes to bestow, to lavish himself without return; that means, he is rich. The trader speaks only of "rights"; the hero only of "duties" which he owes. And even when he has fulfilled his duties, he always feels inclined to give more.

We may also say that the trader-conception is centered about interests, the heroic about an idea; at the central point of the one, stands a claim; at the central point of the other, a sacrifice; the one stands upon the promise: "that it may go well with you and that thy days may be long in the land"; the other accepts the words which I have used for the motto of my War-Book: "Life is not the highest good."

And so we may conclude that there is also, depending upon the spirit which rules, an *heroic* and a *trader* Socialism.

If we would visualize these two contrasts, just characterized, in order to see them embodied in two representative personalities of the present time, we might place over against one another the English Premier and former Socialist leader, Ramsay MacDonald, and the Italian Minister-President, Benito Mussolini. From MacDonald we have the following definition of Socialism (though I do not know whether he still holds this view): "Socialism is the creed of those who recognize that the community exists for the improvement of the individual and for the maintenance of liberty."¹³

Mussolini denies the materialistic conception "*felicita*" ("happiness") as realizable, but he also denies that *benessere* (well-being) is

¹³ Dan Griffith, *loc. cit.*, p. 49.

equivalent to *felicita* and thinks that an adjustment of society on the basis of *felicita* would transform human beings into herds.¹⁴ It was Mussolini who had this sentence stamped upon a coin: "*Meglio un giorno un leone che cento anni una pecora*" (Better a lion for a day than a sheep for a century). He made the sentence his own, of which the historian of Fascism, Professor Volpe, said: it became "*quasi la nuova parola d'ordine degli Italiani*" (practically the new watchword of the Italians): "*Memento audere semper.*"

In addition to the polar attitudes of the trader and the hero, the structure of our present spirit points to still a third which we may call the *sacred*. It is that which is proclaimed by the gospel in the Sermon on the Mount, which animates the sincere Buddhists as well as the consummate Christians, which we find more often in the East than in the West, which Aljoscha taught and Gandhi teaches, whose conduct, through the influence which the "Gita" was supposed to exercise upon him, of course, bears a strong mark of the heroic.¹⁵

But the sacred-opinion variety of Socialism, in the connection with which we are here dealing, scarcely comes into consideration, since from it there have resulted no relations pertaining to Socialism. And in so far as a Socialist always attributes a significance to the things of a worldly order, his opinion cannot be a sacred one, or one which is always expressed by the sentiment:

"Pass the world by, it is nothing!"

Thus among the various kinds of socialistic formations, there remain but the two antitheses: the trader and the heroic, and these have nothing to do with the others: individualism—solidarism; egoism—altruism.

These conceptions of the kinds of Socialism here recounted, which have been formed through the stressing of certain characteristics, of course, still do not represent a *type*. For that purpose they are far too general. Types are definite (compressed) concepts to the extent that an organism, capable of life (and, therefore, also obvious) in the realm of the corporeal-spiritual, corresponds to them in a realizable form in the realm of the spirit.¹⁶

They are formed by reason of the fact that a suitably large number of characteristics, according to which we distinguish different kinds,

¹⁴ B. Mussolini, *La dottrina del Fascismo* (1932): 12, 13.

¹⁵ See Gandhi, *Der Heilige und (!) der Staatsmann, von Bedi und Houlston, Geleitwort von Dr. Rudolf Otto*, 1933.

¹⁶ See my book, *Die drei Nationalökonomien* (1930): 242.

are compressed into one concept until it becomes concrete. By this process the different kinds of Socialism, as types, will in part overlap, in part exclude and in part cut across one another.

If we direct our inquiry toward the *types of socialistic systems*, we will find in the recent period only two of real significance: proletarian or Marxian and Catholic Socialism. All the rest bear a sectarian stamp and are more or less inconsequential. These two great types I shall attempt to place over against a third type: German Socialism of which little more than the name has hitherto been known. The occasion will thereby also present itself to understand more intimately the other two types—Marxian and Catholic Socialism—in their relationship to one another, and in their contrast with German Socialism.

PART III

THE ABERRATIONS OF SOCIALISM IN THE ECONOMIC
AGE ("MARXISM")

PART III

THE ABERRATIONS OF SOCIALISM IN THE ECONOMIC AGE ("MARXISM")

INTRODUCTION

NOTHING suffered more from the pernicious influence of the economic age than the idea of Socialism. The noble picture as it came from the hands of Plato was distorted into an ugly caricature, whose lines were etched by the baser instincts and by the most absurd sciolism. But if we are to find our way back to the elevated ideas inherent in Socialism, we must not hesitate to face it, even in its distorted form, if for no other reason than to make us more receptive to the impressions of the original picture.

Those doctrines and those endeavors which characterize modern Socialism, in so far as it has acquired political significance, are today comprised in the designation, Marxian or proletarian Socialism—"Marxian," because in its formation the genius of Karl Marx played a decisive rôle; "proletarian," because modern Socialism centers around the interests of the wage-working classes.

However, in attempting to give a picture of this Marxian or proletarian Socialism, I find myself in a peculiar situation. Namely—I can no longer keep the secret—ten years ago I wrote a two-volume work of 1011 pages in which I gave the kind of Socialism mentioned an elaborate description and a thorough criticism. I should like to content myself now with a reference to that work. But, unfortunately, that will not do. And for the melancholy reason that—with the exception of a few intellectuals—not a soul knows my book. And since, so far as I know, no one else has undertaken to give "practical" Marxism, that is, that Marxism which comes into consideration in connection with the problem of Socialism (there is also a theoretic-historical Socialism of inestimable value to social science), a comprehensive, "systematic" presentation, I have felt it necessary to devote some time to the not very agreeable task of giving at least a brief survey of the results to which my studies have led me. For I believe that at this very crucial time there are many who are sincerely interested in know-

ing just what this Marxism, so much reviled and opposed, actually is. If, however, the brief description, contained in the following pages, is inadequate, I must refer the reader to the aforementioned work for a more detailed account.

Without further ceremony, I will first give the intrinsic ideas of proletarian Socialism to serve as a background for a critical position toward it. We will thus have frequent occasion to observe that proletarian Socialism bears the marks of the economic age, its legitimate child. For the sake of clarity I will rearrange the material of my large work in the hope that in doing so it will be easier to understand the connections that are very often greatly involved.

CHAPTER VII

THE INTRINSIC CONTENTS OF PROLETARIAN SOCIALISM

1. *Proletarian Socialism.* An essential characteristic of Marxian Socialism is its proletarianism. By which I mean the incidental, historical amalgamation of socialistic world-ideas with the proletariat and, in particular, with the industrial proletariat, as it began to form itself in the economic age. This amalgamation was completed some time after Socialism and the labor movement had proceeded alongside one another in the form of the Chartist movement, about 1830-40, and became, as we know, the anchoring-points of Marxist Socialism. Through this connection the starting-point, the aim and the way of this Socialism was prescribed. We must remember this, if in what follows we attempt to form a picture of the intrinsic ideas of proletarian Socialism.

2. *Fundamental values.* I will begin my presentation with a survey of the fundamental values upon which that Socialism rests, since they are crucial, for understanding its trend of thought and its objectives.

Briefly expressed, the fundamental values of proletarian Socialism are those which I have characterized in the preceding chapter as the trader-concept of the world. But we need also to employ the foreign word, "Hedonism." To recall it again, in other words, it is that world-conception which forms the central point of the life-values of the masses. This conception contains the following essential parts:

(a) the highest valuation of life in itself: "life is the greatest good." And, indeed, life as an individual, natural fact. Fichte would say: "this or that life";

(b) the massing of life-values which present themselves as a real and as a personal massing. Real massing signifies the dominance of the pleasing and useful values, which are measured essentially by the amount of material goods at the disposal of the individual. The idea of life acquires a personal massing through stressing the value of the fact that a large number, preferably all, are blessed with "happiness," that is, with riches, or more briefly expressed, that the masses are satisfied. Bookishly expressed, the formula of this ideal reads, "the greatest good of the greatest number."

The last essential of the value of life of the masses forms

(c) the "ethicization" of their wishes, by which we are to understand that procedure of thought which elevates the individual to the moral demand to bring about a condition of the most comprehensive happiness.

Of course, these views do not appear everywhere in the same form. The ideal oscillates between an ideal of pure enjoyment and an ideal of "the full life" for the individual who "participates in the cultural values," who "develops all individual inclinations," and the like. But the foundation of this longed-for condition is always an abundant equipment of life with material goods. The increase of "wealth" is everywhere the chief achievement which one expects from the socially-ordered society. Marx himself has characterized the hoped-for effect of Communism as "the highest development of the productive energy of society and the many-sided development of the individual."

Proletarian Socialism with this ideal remains fully within the ideas of the world which ruled the economic age. In fact it recognizes no values other than those of a bourgeois civilization, unless they are also to be shared by the proletariat; or, as a Bolshevik writer has expressed it: "the proletariat demands its share in the festival of life."

The relationship of the social-proletarian ideal good with that of the liberal age expresses itself also in the adoption of the two demands of the citizens who established the Revolution of 1789—they constitute the ideal of liberty and equality; or, better, in order to express at once the peculiar meaning which these two very ambiguous words here receive, *liberté* and *égalité*.

The *concept of liberty*—about which proletarian Socialism is concerned—and about which the revolutionary citizens were concerned—is, as I characterize it, naturalistic liberty. Formally determined, *liberté* (liberty whereof) is freedom of the natural person, as a creature, from the external chains which, above all, life with other persons in the state has placed upon him. The naturalistic concept of liberty (liberty whereto) is material quite as much as liberty of enjoyment, and here proletarian Socialism urges forth its full content. That thinker whom Marx himself once introduced in a congress as "our philosopher," Josef Dietzgen, wrote, concerning this point: "We do not seek liberty in metaphysics, neither in the delivery of the soul from the prison of the body, but in the abundant satisfaction of our material and spiritual needs, all of which, however, are corporeal."

The *idea of equality* is an enduring idea of modern Socialism: "L'égalité ou la mort! telle est la loi de la revolution," cried Proudhon. The idea of equality has such an overwhelming significance in building the world of socialistic thought that one may directly—a fortiori—characterize proletarian Socialism as a Socialism of equality. But while the bourgeois idea of liberty needed only to be carried to its logical conclusion to become grooved in the range of ideas of proletarian Socialism, it had also to give the treasured ideas of 1789 a distinct trend, corresponding with proletarian interests, to make them effective; its purely formal significance, equality before the law, had to be transformed to a material, or to an intrinsic equality; it must needs come to demand social equality. Friederich Engels expressed it when he said: "The proletarians take the bourgeoisie at their word: equality should not be merely apparent, not merely exist in the sphere of the state; it should also become effective in society and in the sphere of economics."

This demand for equality is established on the assumption that all men are equal. Not so much because they all belong to the same species, *homo non sapiens*. "Humans, humans, are we all!"—that had been the pre-Marxian basis of the demand for equality—as long as they are all "laborers." As such, men will become "alike," according to Marx's own thought, to the extent in which the production of wares extends itself; this will lead gradually to the carrying out of the "law of values," according to which, value being determined, the "humanly abstract" labor is therefore equal. As long as labor was primarily directed toward the production of goods for consumption, those who performed labor seemed unequal—the cobbler, the tailor. After the production of wares, that is, exchange values without quality, had come to be the accepted fact of social production, the differences in the quality of labor disappeared. At first the equalization of these differences of labor in the executive procedure of exchange found their counterpart in the adjustment of labor, employed in manufacture, through the destruction of the originally complicated labor, employed in part-performances, in which an increasing mass of unskilled laborers or novices could be employed. But the unskilled laborer may be shifted about; he represents only a "one" in a large sum. "De cette égalité des divers travaux résulte nécessairement l'égalité des travailleurs" (Jules Guesde).

That this bold structure of thought rests upon a foundation of very massive *ressentiments*, there can be no doubt: *The labor-cult which*

proletarian Socialism urges is loaded with resentment through and through.

When one ascribes to labor, as such, a value, one lends to all those who otherwise were nothing (but a species), who are nothing, who have nothing and can do nothing, a dignity which elevates them. Since labor is the only thing which everybody, even the least among the masses, can offer, since in it—if conceived as a purely quantitative labor-achievement extended over a definite period—all individual differences will be blotted out, it will become the symbol of the new and the last "nobility" which will play a rôle in the history of mankind. There is, in fact, no other means to level mankind and consequently no other means to help cultivate the indiscriminate individuals in the mass, who are nothing but a part of the mass whose whole significance lies therein: there is no other way to bring this individual to esteem other than to glorify labor, simply labor as such, the mere employment of muscular energy, merely because it is labor. Not till in death will we all again be as equal as in "labor"; and yet we must live in the socialistic state. And so, as an ideal, for the practical formation of society, there is nothing left but "equality" in "labor."

And when Lenin on the first of May sweeps a court in the Kremlin with his own hands, we are to regard it as a deep symbol of the new cult of labor. This symbol signifies that the very meanest labor and, therefore, also the lowest manual laborer who performs it, is worthy of the highest honor; it means that the chief of state and the daily wage-worker are valued alike and placed alike. If the King and Plato are merely "laborers," then all is well with the world.

3. *Wishful thinking.* The picture of the formation of the socialistic society or the "future state," as it is inaccurately described, may now be considered in accordance with what we know of the fundamental set-up of proletarian Socialism, with its proletarianism and its hedonism. With the overwhelming significance which proletarian Socialism ascribes to the material life, it will be sufficient if I limit myself in what follows to a portrayal of the socialistic economy. For all other departments of society are to adjust themselves to its formation.

If we examine more closely the programmatic position of proletarian Socialism in its relation to the problems of economic life, we find, as one of the outstanding features of its program, a decided predilection for modern industrialism, that is, for the great industry built upon the progress and achievement of modern technique, with all its wonders and all its hells. Here the spirit of the industrial proletarian,

who does not disown his mother and who bows in admiration before the masterworks of modern civilization, speaks very distinctly. With pride and full confidence Engels writes: "Great industry, freed from the pressure of private ownership, will be expanded to such an extent that its present equipment will seem as small as does the manufactory compared with the great industry of our day." And that the inventive spirit will continue to create new wonders, is a cherished thought of all proletarian thinkers. The fantasies of Bebel and of Bellamy meet at the same point.

That is to say, to proletarianism not only the social form, but also the quintessence of modern civilization is objectionable. The wishful thinking of proletarian Socialism was not influenced by the sharp criticism which all great thinkers expressed at the end of the eighteenth and during the nineteenth centuries concerning modern civilization.

But, it is urged, surely modern capitalism, with its distinct stamp of industrialism upon it, is the deadly enemy of proletarian Socialism against which all attacks are directed. This apparent contradiction is easily explained if one reflects upon what I have just said about the opinion of proletarian thinkers: that they do not object to the quintessence but to the form of modern civilization. But this is the capitalistic—private-capitalistic—form. All the present faults of which they have to complain, lead them, in their opinions, away from the form and toward a false social organization. They are convinced that it is only necessary to change the form in order to change black to white, mischief to blessing and sorrow to happiness. What they demand for the future society is not the abolition of the nature of modern civilization but only its forms. In place of private economic organization, they want an economic-community organization, in place of capitalism they would have Communism, that is, an economic system which is fundamentally built upon social ownership of the means of production, controlled on the principle of required needs instead of desire for gain. (The differences of this program in detail does not matter.)

Communism is loved, above all, because of its arbitrariness; it is accepted as perfection and is regarded as a form of economy suitable to proletarian thought. The reasons for it are evident:

(1) Communistic economy generally leads merely the mode of life which the industrial proletarian of the great city leads today: the collectivistically formed labor-process of big industry! Release from all permanent private possession (as a plot of ground or a house)!

Separation of property in industry from the product of labor! Collectivization of consumption! etc.

(2) Communistic economy corresponds in its entire structure nearest to the demands of the principle of equality, in so far as it is the only form in which all can be guaranteed an equal share in the wealth of society and maintain, at the same time, big industry. For the great industrial formation of the economic processes excludes the other—proximate—possibilities of equality of possession: the equal distribution of the wealth at hand.

(3) Communistic economy abolishes the wageworker-relationship, the “character-wares” of human labor, “wage-slavery” and “exploitation.”

But Communism is also wanted because it is expected that, in connection with great industry and, aside from its important self-centered aims, it will be realized. It will increase wealth which is necessary to always permit more people to always live “better.” It is a cherished idea of Socialist theorists, which no doubt goes back to Fourier, that the productivity of labor is increased through the collective economization of goods. They believe that production and consumption on a large progressive scale is always more profitable than that of small industries, that a collective economy will avoid much useless labor and that, consequently, a communistic economy is also more economical than a private economy. All utopistic thought about proletarian Socialism, including Marxian, is centered in the hope of increasing the productivity of labor through Communism. To what fictitious expectations hope has risen in this respect, I shall tell in another connection.¹

Communism, then, is to solve the labor problem.

And the solution of this problem is centered in only one aim—to make men equal, but nothing else. This is shown in every way which proletarian Socialism proposes in dealing with economic problems.

Its chief interest is directed toward reducing the amount of labor to a minimum. This thought, that the new economic order should reduce the time of labor, runs like a red thread from the first socialistic writings onward through all proletarian literature. Opinions, as to how many hours of labor are necessary in the future society, vary, but the ideal always appears to be the shortest possible workday. Here are some of the estimates: Thomas More would have 6 hours, Cam-

¹ See below under No. 6.

panella 4, Owen 2, Dezany 5 to 6. Bebel thought that "3 hours appear to be too long rather than too short"; Ballod: "5 to 6 years of labor duty for men and women"; Lenin: "6 hours and less" (of course in a "youthful publication"); Kropotkin: 5 hours; Guesde: "at first 3, later 1 (!) hour."

Moreover, the small amount of labor to be required in the society of the future is to be no longer what it has been—trouble, pain, *πόνος*. Man is no longer to eat his bread "in the sweat of his brow"; labor itself is to be a pleasure, an enjoyment. That is the thought of all socialist literature from the beginning to the present time.

If we ask how Communism is to succeed in bringing about this change, the means appear to be the following:

(1) Through the perfection of the machine: Karl Grün thought, "the most recent progress in the natural sciences may reassure you. Perhaps children up to 15 years of age, as controllers of the machines, will be able to deliver the household necessities of today. In festive garments, as play, for diversion." Similar representations very frequently haunted the minds of Communists. Even in the writings of Marx himself one may find suggestions to the same effect. But still greater effects are promised by

(2) the harmonious exercise of motive power in a well organized community of labor. In fact it was a cherished thought of Fourier that under a proper organization everybody at all times would be able to do that which he most desired; above all, it was thought that the inclinations toward association (composite), toward rivalry (cabaliste), and toward variety (papillone) in a well governed organization of labor would become fully realized and thereby effect not only external miracles but also give the individual complete satisfaction. Of the three fundamental inclinations or impulses of Fourier, that of alternation or variety—papillone—later urged by Marx and Engels, appears to be best suited, through a free development, to make labor delightful. For that reason great weight is placed upon

(3) the abolishment of the division of labor.

It is a cherished thought of Marx that the perfected machine would tend to displace the old form of specialization and, through it, everybody would be placed in a position to perform any kind of economic labor whatsoever, without preliminary knowledge or experience. Thus when he writes: "Since the entire motion of a factory does not proceed from the laborer, but from the machines, a continual change of personnel may take place without interrupting the labor processes."

Or: "What characterizes the division of labor in a factory operated by machines is that it has lost every mark of specialization. But the moment in which every specialty ceases to develop, the necessity of a many-sided development of the individual makes itself felt. The automatic factory abolishes the specialists and the idiocy of the expert" (!).

Concerning the formation of the communistic society, Engels expresses himself as follows:

"Common management of production cannot be carried on through persons as they are today, where each is assigned to a single branch of production, where each is chained to it, exploited by it; where each has developed only his own talents at the expense of all the others, where each knows only a branch, or only a twig of a branch of the entire process of production. . . . Communal and planned industry, managed by the entire community, presupposes . . . men whose talents are developed in all directions, who are in a position to direct the entire system of production (!). The division of labor, already undermined through machines (which is the treasured thought of Marx, mentioned above—W.S.), will at once disappear. Training will enable the youth to rapidly understand the entire system of production; it will place them in a position to pass in succession from one branch of production to another, according to the needs of society or as their own inclination may dictate. . . . By these methods a society organized on the basis of Communism will give its members the opportunity to exercise their talents, developed on all sides, in every direction."

4. *Social Theories.* It would be an admission of a complete misunderstanding of Marxian Socialism, if one would presume to be able to determine its content exclusively by the enumeration of its claims to merit and its wishful thinking, deduced therefrom, and to which it is so ardently devoted. Marx himself expressly and decisively denies that the values, ideals or demands, which are to usher in Socialism, are utopian, and he represents, on the contrary, the view that knowledge of present social conditions must take the place of demands, because Socialism will of necessity develop knowledge. Socialism *ought* not to come; it *must* come by virtue of the law of nature. Therefore, the chief problem of the Socialists does not consist in the setting up of a program, but in the formulation of a theory of evolution which exhibits the transition from capitalism to Socialism in conformity with its natural law. Because of this "theoretical" position of its attitude toward social problems, I call Marxism itself "scientific Socialism."

We must follow it with this thought in mind and attempt to understand the theoretical structure of Marxian Socialism from its foundation. For only an acquaintance with the original social and historical theories will enable us to understand the theory of evolution of Marxian Socialism, a knowledge of which is necessary to a correct judgment on Marxism.

The essential parts of the Marxian social and historical theory are as follows:

(a) *Social naturalism.*

This doctrine was, as I have shown in another connection, first represented by English thinkers at the end of the seventeenth century and perfected in a system, also by English thinkers, during the eighteenth century. According to this view human society is not a condition growing out of nature: it is rather a thing united with nature which it conceals within its lap, itself a piece of nature. The psychological equipment of man, as child and as graybeard, as a racial being, as a being impelled to maintain life, carries with it the idea that one must place himself, in one way or another, in connection with someone else. This connection is of necessity human society which is, therefore, a natural condition. The dividing line between the world of man and the rest of "nature" thus disappears, while, in particular, the special distinction between man and the lower animals no longer exists. That is the conception which, in the course of the nineteenth century, especially under the influence of the advance in natural sciences (Darwinism), continually extended itself and which was now also accepted by the advocates of proletarian Socialism, with particular zeal by Marx and Engels, and which today forms such an obvious constituent of the socialistic dogma that none of the representatives of this faith have once thought that it could be otherwise: "*Q'est-ce que l'homme? L'homme est le dernier terme de la série animale.*" This thesis constitutes the first article of faith not only in the "Catechism of Socialism," which Jules Guesde formulated (1878), but also in the general unwritten catechism of this society. It signifies the mediatization of the spirit. I understand by it a thought process in which all things intellectual become dissolved in things spiritual, all ideational in psychological, and in which all ideas are derived from the final social elements.

In this decomposition of the intellectual, the absolutized social conception renders a valuable service. It is not only enlarged (extensively) so as to comprehend all institutional affairs, but is filled

(intensively) with so much energy that it becomes a power over all things human. According to the representation of this school of thinkers, society itself becomes creative; or, more precisely expressed, it becomes the effectuating socialization process for the individual. All culture does not originate only *in* society, but *through* society. There is, therefore, in the course of naturalistic thinking, a predilection for evolutionary construction: everything becomes, forms itself, originates; there was a time when nothing existed. It forms itself in an organic, natural process of growth.

The mediatization of the spirit corresponds to that train of thought which we may call "social nominalism." According to this theory there are no super-individual realities which are merely intellectual structures and can therefore have a place only in an idealistic social conception. Clarity of thought presupposed (!), in the opinion of the social naturalists, that only the individual and individual things are "real": the family, the state, the nation, the church, etc., have no existence aside from the individuals who create and endure them.

Another component part of the Marxian conception of society is (b) *social materialism* or *economicism*, as he has expressed it in his so-called "Materialistic (better: economic) conception of history." This contains, on closer examination, a "milieu" and a "motivation" theory.

The *milieu theory* says that all social relations, as well as all cultures, depend upon the state of production or, more exactly, upon the degree of development of the economic technique ruling at the time. All non-economic constituents of society are, therefore, epiphonema, reflections, superstructures.

The *motivation theory* teaches that the preponderant motives in human affairs, overpowering all others in driving energy, are economic.

The lines of thought which led the proletarian Socialists to this result were the following:

(1) All associations are associations of interests; since the primacy of material (economic) interests exist, all associations of interests are, in the last analysis, governed by economic interests.

(2) Since the classes are the bearers of the overpowering, important, general, economic interests, they are made up of those who, through their attachment to some kind of an economic association, are formed to sustain a definite economic system; these attachments deter-

mine the so-called tone-color of all other interests; all other associations are either unimportant or subjected to class interest.

(3) Attachment to the proletariat also determines the position taken toward all other problems; the proletarian class-interest receives precedence over all other—even economic—interests; those who do not belong to the proletariat have an opposing interest and are its born enemies; society consists of two classes only: the proletariat and its enemies, the bourgeoisie. In this extreme interpretation the class principle becomes the most important means in the “struggle for emancipation” of the proletariat. The absolutized class-conception can be fully evaluated only when viewed from the standpoint of an agitation of interests.

In accepting the class-principle, the theory of the social structure follows as a matter of course. It contains the doctrine of class-rule which, with pressing necessity at hand, results in the following considerations: If material interests give direction to human conduct; if the material interests, in their finally decided form, are embodied in the social classes; if every person holds a place in society in proportion to his power, but that power is represented in the social classes, society must permit itself to be formed through a stratified relationship of the social classes. That means, above all, simply that the social classes will participate in the state in proportion to their power, that the extent of control will be determined by the extent of power of the social classes, that, in particular, the form and composition of the political power can be nothing else than the power of the classes. But the conviction that the stratification of society corresponds to the relative power of the classes, only attains its agitative significance and only becomes an essential component of proletarian Socialism when it reaches its mutinous climax. Then it holds the following views:

(1) that there is always one ruling or “exploiting” class; that all other classes are ruled or “exploited”;

(2) that all regulations of the state are determined by the ruling class;

(3) that, in other words, the state is nothing but a “committee” of the ruling class.

The theory of the class-state corresponds to the theory of the class-struggle: both are two different sides of the same doctrine. Those who think that social stratification corresponds exclusively to the extent of power of the social classes, will also be convinced that changes in the social structure are nothing more than an expression of a shift

of power, that a new factor of power will take the place of the old exclusively by way of a struggle: the adherents of the class-state theory also acknowledge, as an intrinsic necessity, the class-struggle in a narrower sense.

From this thought of the class-struggle there follows—again as an intrinsic necessity—the tactic of militant Socialism as it had developed in the course of the nineteenth century. Nor is this a mere coincidence which could have been ordered otherwise; it is bound up with the leading principles of Marxian Social theory. The leading principles of this tactic are as follows:

(1) The inconsiderate acceptance of the principle of the class-struggle necessarily excludes every fundamental agreement: no political compromise! No party politics! No peace with existing powers! (for it will then be temporary). No service for the commonweal! (that there may be no commonweal). The proletarian class strives rather for the sole rule; only a complete victory of the proletariat can end the struggle.

(2) Politically the proletariat is international; its interests, depending chiefly upon the condition of its class, are the same in all capitalistic countries. There is one common interest among the proletarians of all nations, which, because it rests upon an economic basis, is stronger than the community of interests which bind them together within their own state. To the proletarian the foreigner of his own class is always nearer than the bourgeoisie of his own country. In place of a vertical division between peoples, nations and state, there is a horizontal stratification according to classes, cutting across all countries, because of the predominance of the economic interests over all others. In order to protect their interests against the common enemy, the bourgeoisie, the entire proletariat of the world must unite for battle:

“Proletarians of the world, unite!”

“C’est la lutte finale
Groupons nous et demain
L’Internationale
Sera le Genre humain”

is the refrain of the official battle-song of all Marxists, of the Internationale.

(3) As long as the capitalistic states, or the “national filth,” to use an expression of Friederich Engels, remain in existence, the foreign

policy of the proletariat will always be determined through considerations of class interest: the "progressive" (industrial)—as opposed to the "backward"—countries are always to support the countries with "liberal" legislation against the "reactionaries." At the time of Marx the countries to be continually fought were Russia and Prussia. But the most important objective in foreign policy must be the revolutionary movement. In the words of Marx himself: "The Communists everywhere support every revolutionary movement against existing social and political conditions; one throws himself unconditionally on the side of revolution, whether it is represented by Frenchmen or Chinese: I mean revolutionary from our point of view."

We may designate the third component part of Marxian social and historical theory as (c) *Social Evolutionism*.

According to this theory history moves on without human agencies; men are much more moved by natural forces through pressure and thrust—a *tergo*—than are the waters of a stream. History forms a component part of nature and is subject to the same laws. Free will as an independent determining force is excluded from this consideration of history. As Marx himself has expressed it: "In the social production of lives men enter into relations independent of their will," etc. Or as the critic, praised and cited by Marx, says of his *Capital*: "Marx regards the social movement as a natural process of history, controlled by laws which are not only independent of, but—quite the reverse—which determine the will, the conscience and the purposes of man."

Since, according to the economic conception of history, economics plays a decisive rôle in social life, the course of history is executed in such a way as to cause changes in the field of economics which effect changes in the rest of society. With these fundamental thoughts of the Marxian theory of history, the idea that "economics has its own laws" becomes established.

Now if Socialism is to be justified as a necessary result of development, it is necessary to produce in the existing capitalistic economy "laws" or "tendencies," which of necessity lead to a socialistic society.

And the monumental work of Karl Marx is dedicated to no other task than to discover the laws of evolution of a capitalistic society. In the first preface of his *Capital* he tells us: "The ultimate purpose of this work is to unveil the economic law of evolution of modern society." This problem he believed he had solved: society in its evolution was put (by him) on the track of natural law. Because of its

decisive importance, this "law," or whatever it is called, this "historical tendency," which forms the thought-structure of Marxism will be here literally reproduced. It runs as follows: "The original accumulation of property signifies the expropriation of the direct producers, that is, the dissolution of private possessions based on individual labor [of the peasants and manual laborers]. The change from the individual and scattered means of production to the socially concentrated, thence from the dwarfish ownership of the many to the massive ownership of the few, and from thence the expropriation of property, means of life and instruments of labor of the great masses of people—this terrible and harsh expropriation of the masses forms the historical preface to capital . . . when this deep and extensive process of change had completely destroyed the old society, when the condition of the laborers and proletarians was changed to a capitalistic basis, when the capitalistic methods of production were independent, then the further socialization of labor and further changes in the world and in other means of production take on a new form in socially exploited, or common means of production: therefore, a further expropriation of the private owner. What is now to be expropriated is no longer the independent laborer, but the capitalist, exploiting many laborers.

"This expropriation is effected through the operation of the law of capitalistic production itself, namely, through the centralization of capital. A single capitalist kills many. Hand in hand with this centralization, or expropriation of many capitalists by the few, there is developed the cooperative form of the labor process on a progressive scale: the conscious technical application of science, the systematic exploitation of the earth, a change in the means of production to a means applicable only to labor in common, the economization of all means of production through their use as a means of production of combined, social labor, the entwining of the nations in the network of the world market and, therefore, the international character of the capitalistic régime. With the constant decrease of the number of capitalistic magnates, who usurp all advantages because of this process of change, there is a constant growth of misery among the masses, of pressure, of slavery, of degeneration and of exploitation; but there is also a revolt of the increasing number of united and organized laboring classes, self-educated through the mechanistic process of capitalistic production. Capitalistic monopoly becomes the shackle of the means of production with which and under which it flourishes.

The centralization of the means of production and the socialization of labor reach a point where they will become unbearable with their capitalistic covering; and they will break. The death-knell of capitalistic private property has sounded. The expropriator will be expropriated.

"The appropriate capitalistic method, which is capitalistic private ownership, emerging from capitalistic production, is the first negation of the individual to private ownership, based upon individual labor. But capitalistic production creates out of the necessity of a natural process its own negation. It is the negation of negations. It will not again restore private property, but it will restore individual ownership on the basis of the achievement of the capitalistic era: it means cooperation and common possession of the earth and of the means of production, produced through labor itself." (Then again the position taken, as to the origin of common ownership, is simply the negation of private property, the negation of negations, Communism. But that is unimportant.)

This concise presentation, given by Marx himself, may be elaborated a little more by considering some of his thoughts which he has expressed elsewhere. We will then have as the essential parts of a closed theory of evolution the following:

(1) capitalistic economy will be destroyed by its own "contradictions";

(2) capitalistic economy develops in its womb the forms of the future economy;

(3) the weapons by means of which Communism, the organization of the proletariat, will be opposed, are also fashioned in the womb of capitalistic economy.

Five theories are advanced as a proof of this thesis: 1, the theory of increasing misery; 2, the crisis theory; 3, the concentration theory; 4, the socialization theory; and 5, class-struggle theory. We shall learn more of these theories in a later chapter (IX) in which I criticize them.

5. *Incredibility.* The dark background upon which this process of history takes place in a godless world.

The first and final conclusion which Marx and Engels drew from their materialistic conception was a decided atheism. It was firmly held by both before they had formulated their peculiar "conception of history" into a system. In the *Deutsch-französischen Jahrbüchern* (1844) Marx had already written: "For Germany the criticism of

religion is essentially ended. . . . The fundamental fact about irreligious criticism is : men make religion, religion does not make men." And Engels also announced in the same journal: "We will put out of the way everything which is declared super-natural and super-human. . . . For that reason we have also declared war, once for all, against religion and religious representations and care little whether one calls us atheistic or anything else."

With the denial of a belief in God the belief in an undying personality also vanishes. Proletarian Socialism shares the opinion of Friedrich Engels, who characterized his position on the question of immortality as follows: "It is not the religious need of consolation but the embarrassment at once called forth by the question as to what to do with the accepted soul after the death of the body that leads, in general, to the monotonous imagination concerning personal immortality . . ." and that, of course, led Engels to an avowal of a purely mundane interest.

That all Marxists who represent this a-religious viewpoint, as Marx himself did, construct their views on the basis of sensualism and materialism, is self-evident.

The antagonism to religion is based on the following considerations: as long as there is a belief in God there can be no complete emancipation of the individual. The reference to a beyond weakens the vital forces which strive for complete freedom of the individual, and also of the proletariat, as a class which will never understand anything other than a sum of individuals longing for joy. That is the tone harped upon in all utterances of socialistic thinkers from 1840 to the most recent time. Rebellion against the Supreme Being is the solution.

Because the joys of this world are so highly prized, God must be dethroned and thoughts of the beyond must be excluded: both ideas disturb alike the full enjoyment of "happiness" here below. And because the view toward the beyond has become lost, the interest in all things earthly has immensely risen. And the passionate wish to change this world into a paradise has become revived. Feuerbach saw this connection correctly when he wrote: "As it is with atheism, so it is with the abolition of the world beyond, which is inseparable from it. If that abolition were nothing more than an empty, inconsequential denial, devoid of content, it would be better, or matter little, whether one allowed it to remain or let it pass on. But the denial of the world beyond has, as a consequence, the affirmation of this world; the

acceptance of a better life in heaven implies the challenge: it should, it must become better in this world; it transforms the better future from an object of idle, inactive faith to an object of duty, of human self-activity. . . ."

"Religion is . . . the opiate of the people," says Karl Marx, accordingly, in the *Deutsch-französischen Jahrbüchern* (this is no doubt the first use of these words so frequently used and finally placarded opposite the Iverskaja Chapel). "The abolition of religion as an illusory happiness of the people is a demand for their *real* happiness. The demand to give up the illusions concerning their condition is a demand to give up a condition which the illusions require. That is to say, criticism of religion is, in effect, a criticism of the vale of tears, whose halo is religion . . ." (barred by Marx).

These thoughts now lead us over to the last constituent of proletarian Socialism which I must still consider; it is

6. *The mythical foundation of Socialism.* The deepest foundation upon which socialistic conviction rests is not an ethical value, to say nothing about scientific knowledge; it is the belief that Socialism will come, a belief that becomes more active and therefore supplants all other beliefs to just that extent in which the soul of proletarian Socialism becomes less vital in truly religious ideas.

The belief in Socialism is now enveloped in a myth which runs through all proletarian thought from its beginning to the present time, but returns to the same point in the various doctrines, however much their dogmas may differ from one another. It is the myth of the lost paradise which is to be regained.

This myth is not peculiar to Socialism: it is, as we know, found in many religious systems in similar form. In proletarian Socialism it has taken on an essentially naturalistic stamp, as follows:

Paradise is placed in a position similar to the "original condition" of man, empirically considered; that is to say, not man as emerged from the hand of God as his perfect image, not man as a god descended to earth, as viewed in the Edda, but man growing out of the animal kingdom, distinguishable by the fact that he fashioned instruments; man as the "tool making animal."

The representation of innocence, that is, of the natural condition, is soon combined with a definite social order, with common property, with the "original growth of Communism." And this connection soon came to be regarded as innocent, because it was communistic.

Then followed the fall of man. We do not see clearly why; we only know that it followed without man's own fault; man bore it as a result of external conditions brought about by portentous events, primarily by the introduction of a new order: private property.

Within this range of ideas, sketched by Morelly in 1755, socialistic thought has moved up to the present day. The expression "the fall of man" is often found. Thus Engels writes: "The force of the natural growth of community life . . . was broken through influences which appeared to us as a degradation, as a *fall of man* from the moral heights of the old Gentile constitution."²

In the age of sin, that is, during the entire, long period in which private property ruled, man "degenerated," became "wicked," "dehumanized." Even the proletariat which still retained, to a great extent, a remnant of the former spiritual greatness of man, took on characteristics of sin. But the hour of deliverance from all evil, the hour of purification is approaching: through the proletariat, mankind will be led back from the condition of sin to the condition of innocence. With the realization of Communism, paradise will again be erected on earth and the kingdom of a thousand years will begin (as, mistaking its significance, is told in the Revelation of John, since the kingdom of a thousand years is not there conceived as a time of trial but as a period of complete happiness).

But this thousand-year kingdom will bring perfection. The promise is this: a noble healthy race, a race of super-men, coming on. The proletariat of today—and only the proletariat of today—will become its progenitor.

"May we not assume," says Kautsky, "that under these conditions a new type of men will arise who will excel the highest type which culture has hitherto produced? Super-man, yes, not as an exception, but as a rule."

And this type of men will create an objective culture compared with which all other achievements, in thought and action, will be as nothing. "Future generations will, . . . without realizing difficulty, effect tasks concerning which superior minds of the past have long pondered and endeavored to find a solution without being able to arrive at a conclusion. One cultural advance will beget another, it will continually set new tasks for mankind and lead it to an ever higher degree of cultural development" (Bebel). "Talents will be found at every

² *Die Familie*: 60.

street corner and the Platos, Brunos and Galileos will be walking about in troops" (Antonio Labriola).

This same belief in the creative power of the proletariat and its descendants, is still active today wherever the real proletarian spirit exists. Russian Bolshevism lives in these thoughts: "Human culture will attain a height never known before [ABC of Communism]. Man will become incomparably stronger, wiser, freer. His body more harmonious, his movements more rhythmical, his voice more musical; the forms of existence will take on a dynamically theatrical complex. The human average will be raised to the niveau of an Aristotle, a Goethe, or a Marx. New peaks will rise over this mountain ridge" (Trotsky).

Men will also be without sin in the future and they will return to a condition of innocence as soon as private property is abolished. There will follow the "release from egoism, . . . from iniquities and weaknesses which are called into being through private possession" (Leading principles of the Third Communistic Internationale, 1920).

But, above all, mankind will be happy in the future. (Nietzsche would say of them: "they blink, for they have discovered happiness.") All fundamental values (No. 2) will become realized. Every impulse fully satisfied. There will be the greatest possible general enjoyment. "Socialism will banish want, surfeit and unnaturalness, it will make men enjoy life, appreciate beauty and give them capacity for enjoyment. And, therefore, it will bring freedom for scientific and artistic creation for all" (Kautsky).

We have already seen in another connection how, through the organization of a communistic economy, the foundation is laid for the true happiness of man, how economic labor will be reduced not only to a minimum, but, above all, it will be changed from a painful operation to an enjoyable performance.

But in order that all these happy possibilities may be realized, so that the man of the future may enjoy the fullness of life, one thing, above all others, is necessary, namely, that material wealth shall flow in abundance, so that one may always draw from a full stream, and may always help one's self, as it were, to the mass of goods at hand in order to satisfy all needs. Else the earth would not be a paradise.

Therefore the promise of immeasurable wealth is a part of the promise of old. "Behold, the days come, saith Jehovah, that the plowman shall overtake the reaper, and the trader of grapes him that soweth the seed; and the mountains shall drop sweet wine, and all

the hills shall melt," as was said by Amos. Today—in industrial Europe—we are told of an "unending" increase of productive power. But the meaning, and also the real content, of the two promises have remained the same.

Naturally, the actual increase of productivity, which has taken place at particular points of the productive process during the last century, has exerted a decisive influence upon the theorists of proletarian Socialism. With every improvement in machinery and every introduction of a new chemical process, the promises become greater.

Of the two great masters of this theory, Engels, the son of a manufacturer, often took occasion to prophesy a great increase in material wealth in the future; his statements have become crystallized into dogmas which have been accepted by all recent socialistic writers. During his whole life he represented what he had elaborated in his earlier work, "The Sketch" (*den Umrissen*). And there he took the following position:

"The permanent productive power of mankind is immeasurable (!). The productiveness of the soil through the application of capital, labor and science, is limitless (!). . . . This immeasurable (!) productiveness, with conscious management in the interest of all, would soon reduce the incidental labor of mankind to a minimum. . . ." "But if it is a fact (!) that every grown person produces more than he himself can consume, that children are like trees which more than recompense the expenditures of those who care for them—and are not these the facts?"—etc.

These representations persist in the minds of all Marxian Socialists. It was officially established in the Erfurt Program, that there is a "continual (!) increase in the productivity of social labor."

Heinrich Heine expressed this promise in poetic form in his famous lines which I will again quote here because they actually contain in concise form the entire program of proletarian Socialism:

There grows enough bread here below
For man, the whole world over,
And roses, myrtle, beauty and joy,
And sugar-peas, moreover.

Yes, sugar-peas for every one
Soon as the thick pods farrow!
Ah, heaven gayly we bequeath
The angel and the sparrow!

The belief in a "happy" future received a considerable stiffening through another belief which proletarian Socialism took over from the treasure of ideas of the period of bourgeois enlightenment, namely, the belief in a "*progress*" in history and, in fact, in a progress not in the sense of a consummation, that is, not in the realization of an idea, given at the outset in its essential content. This is also acknowledged by Christianity and the German "classics" (for to the classics, progress is a progressive elucidation of the reason-content of the world, a progressive approach to the kingdom of reason and morality). But the classics believed in a progress in a wholly naturalistic sense, as the idea had developed in English and French thought since the close of the middle ages.

For the naturalistic conception progress signifies what might be called an advance toward an unknown goal, into space, as it were, under a tacit acceptance of a conception of a value the increase of which is the content of history. This increase results through a causal-genetic connection of the empirical transactions of man.

Manifold are those values whose increase, in the course of recent times, have been designated as progress. The increase of knowledge has played a large rôle in the "advance of learning" to which Bacon ascribed so great a significance, even before Perrault, in his famous work (1688), had expressly declared that "progress" in the modern age far exceeded the old.

Now we already know those values the increase of which proletarian Socialism regards as progress. They are the fundamental values of proletarianism: well-being, wealth, knowledge, technique, *liberté*, *égalité*, masses.

Against this powerful structure of thought we must now take our position, and we shall do so in the two following chapters. There, we shall first attempt to make clear in what form the position taken may be realized. And since the position taken is generally regarded as equivalent to the criticism made, we must first make a few observations concerning the conception of what criticism is.

WHAT IS CRITICISM?

WHAT is generally produced and alleged against a movement, such as Marxism, is largely a colorful mixture of counter-arguments, maledictions, refutations, persecutions and dealings of all kinds. Taken as a whole, one might regard them as criticism, but one would thereby be doing no more than rendering encouragement to the prevailing confusion. In a broader sense it is, of course, also a "criticism" of the conduct of my opponent if I beat him over the head with a cane. Marx himself in his playful methods of expression permitted the weapons of criticism to be turned into a criticism of the weapons. But still, in the interest of an always desirable clarity, it is advisable to employ the word "criticism" only for that kind of refutation which keeps itself in the realm of rational considerations and which undertakes to represent an opinion, with intelligent reasons, as "false" by revealing the "errors" of a theory.

The sphere of activity is, of course, thereby restricted. All those fields into which reason cannot penetrate are to be excluded from it; that is, all problems must be excluded which are rooted in general philosophic conceptions basically connected with values and volitions (for the mask which conceals them very often presents to the critic merely the outward points of contact, while valuations and intentions are too often concealed behind a scientific covering which must first be stripped off in order to recognize its true nature).

If Marx and his adherents were right in believing that the theory represented by them is "scientific" Socialism, there would, in fact, be no sphere, such as that mentioned above, that could be withdrawn from criticism. For on closer examination, "scientific" Socialism, in the sense in which the word is used by Marxists, is, from a purely logical point of view, a misconception: a four-cornered circle, a golden horseshoe, an ethical physics, an emotional chemistry. Since the term is intended to convey the idea that "Socialism" is a problem of knowledge, it is obvious that it is incorrectly used, that it originated through the logically impossible blending of two essentially different spheres: of knowing and of doing, of the kingdom of necessity and of freedom, of the backward and the forward view. But that Socialism—

whatever else it may be—is a problem of doing, of the realization of a purpose, no one will question. At all events it is precisely that for the practical Socialist who must draw conclusions, pass laws and create organizations, and can order his life only from the point of view of finding definite means and ends, who must choose between different values and who can only consider his own conduct from the viewpoint of freedom. It is all the same whether or not he accepts freedom of will in the metaphysical sense: if not, he must postulate freedom of will as an “as if.”

But if an adherent of “scientific” Socialism should reply: Socialism in this sense of the term does not mean a practical system but the theory of a system (by which, of course, a poor favor would be bestowed upon the concept of Socialism), he could be answered by saying, that he is wrong even then, if he constructs his “theory” exclusively from reason and effect with the aid of categories of the natural sciences, and that a theory based upon any sphere of human conduct, whose aim lies in the future, without consideration of the relation of purpose and means, is inconceivable.

That is to say, Marxism contains the two constituent elements, which embrace every political doctrine: the irrational and the rational.

Therefore, those points in our survey of the theory of Marxism which we have learned to regard as the fundamental values of proletarian Socialism, such as wishful thinking, the metaphysical foundations of his social theories, his incredibility, as well as all that which we may call his eschatology (theory of redemption), are withdrawn from a criticism which, according to the conception here represented, is always a rational refutation. We shall set over against all these, our values, our aims, our metaphysics, with complete confidence in the higher dignity and greater depth of our values in the final result when we shall have constructed the ideal world of German Socialism.

But all concepts which do not fall under the category of value, of ideals or of metaphysics, but which are mere assertions, claiming to be capable of demonstration, will be subject to criticism.

Having thus established our position, it seems to me that the proper course which we must steer at this point is fixed: it carries us through between two false standpoints—a Scylla and a Charybdis; the one is the professorial standpoint from which it is believed that the totality of a movement, such as the Marxian, admits of a rational criticism; the other standpoint, abundantly represented by men of action, rests upon no rational basis, but is a mere counter-belief. Both stand-

points—the one of complete rationality as well as the one of complete irrationality—are equally false. Rightly put, the problem is, to separate in every theory and in every movement on foot, the rational constituents from the irrational, to oppose the one with the head, the other with the heart, and, if necessary, with fists.

But if we ask, what, then, are the points which are open to criticism in the sense here circumscribed, I suggest the following :

1. Self-delusions of the proclaimer of this theory ;
2. Contradictions, incongruities within the theory itself ;
3. Objective fallacies.

I cannot accept the conception that in opposing a practical political movement one may disregard the refutation of assertions based on rational grounds that, in every case where interests are concerned, the will takes the place of reason—*stat pro ratione voluntas*. Of whatever surpassing significance in political life the irrational movements doubtless are, even there the rational constituents are not entirely without importance. They doubtless also serve to support political convictions which are very often weakened in their carrying power, when the supports of rational foundations are withdrawn from them.

On the other hand, one dare not regard a movement as overcome, so long as it is not destroyed in all its ramifications and also in its scientifically rational parts. A presumably correct knowledge, in the possession of which one fancies himself, may be a tiny spark at which a movement, supposed to be extinguished, rekindles itself. For that reason one must stamp out the smoldering embers which remain after the great fire has done its work ; stated plainly, one dare not rest until an opposing conviction has been refuted, even with rational considerations, when this conviction is supported on rational grounds. That is true to a surpassing degree in a Marxistic movement, always famed for its scientific character, which is dangerous as long as it is not also conquered in its rational parts. Here science offers itself as an aid in the political struggle, and the intelligent politician will certainly not refuse this aid which comes to him from science.

CHAPTER IX

THE ERRORS IN MARXISM

I SHALL begin my criticism with a discussion of those theories which are false because their authors have fallen into a *self-delusion*: they believed they had set up and sketched scientific, that is, provable theories, instead of a metaphysical system. Under this head I count almost the entire Marxian theory of history: its social naturalism, its "materialistic" (economic) conception of history, its evolutionism. It is most certainly not a factual experience that human history is made up essentially of natural processes and governed by "natural laws." Experience teaches the inextricable peculiarity and automatic adaptability of the spirit and its organization. Experience teaches that men have the capacity of free resolution and enter very consciously into the "relations of social production." Experience teaches that economic interests have by no means always held the primacy in history, but largely other interests, such as the religious or the political.

In so far as Marx, contrary to all experience, set up his "theory" of history, which in reality was a metaphysics of history, he did nothing other than to reconstruct the particularities of the economic age into the general elements of the history of mankind. What was correctly observed, to a large extent, concerning the age of capitalism: that human society forms itself as a natural process, that definite tendencies, independent of the will of man, successfully assert themselves in society, that in society the economic interests govern all other interests—all that is now said to be peculiar to all human history. A powerful, fatal fallacy! Seldom, indeed, has a slogan caused so much confusion as that resulting from the notion of the automatic adaptability of competitive economy, implying that there is a fundamental economic law assuring maximum net utility above sacrifice, as the majority of non-Marxian interpreters of history still teach, even today. All this nonsense belongs to the fatal, economic age and will vanish with it.

Another group of Marxian theories which are open to criticism are those which reveal *contradictions*. Herein I place the entire "value and surplus-value theory" which occupies such a large space in Marx's chief work, *Capital*.

The majority of critics who have ventured to approach Karl Marx have attacked primarily his value and surplus-value theory with a view to testing its "correctness," because they (wrongly) believe that in so doing they were making a direct attack upon the center of the Marxian system. But in so far as they did not understand this theory of Marx, they were virtually tilting at wind-mills. They attempted to refute these theories from the usual ethical viewpoint by ascribing to them the same rôle which they play in other social systems where they are used for the purpose of proving the "injustice" of division in a capitalistic economy. The point of this is to convince the laborer that the product of his labor, upon which he has a claim, should be withheld, in order to draw the conclusion that capitalism should be replaced by an economic system which will avoid this injustice.

But such procedures of thought are entirely foreign to Marxism. If one is to criticize the Marxian theory of value, one can do so only by revealing the contradictions in which it is involved and which, above all, are based upon a want of a distinction between fiction and facts. Nevertheless I shall forego discussing the problem, because it would lead us too far into theoretical-methodological investigations which run counter to the spirit of this book. Moreover such investigations are not necessary in order to prove the weakness of the Marxian system, because the theory of value, in so far as it has any political significance, stands at the periphery of this system; for which reason I have not mentioned it in my survey, and its refutation would in no way affect its continuance. If one would strike at the heart of the Marxian system, one would need to show the untenableness of his various theories of evolution. That I shall attempt to do in what follows.

Opposed to the Marxian theories of evolution, described above, will be placed a criticism dealing essentially with its *factual incorrectness*.

1. At the central point of the Marxian theory of evolution stands the dogma of the unquestioned superiority of the great industry which, under the rule of free competition, in the age of capitalism, was brought about through a general concentration (enlargement) of business, and which, in the opinion of the Marxists, caused the middle and lower existences in all economic fields to disappear, leaving only a handful of "capitalistic magnates."

How closely these two conceptions, Socialism and big industry, are united in the minds of the Marxians is seen in the Russian example. Here the "proletarian dictatorship" has spasmodically endeavored for

years to apply the principle of big industry to every sphere of economics; according to the words of Lenin, monopolistic state capitalism is "a perfect preparation for Socialism, the gateway to it, because it means that step on the historical ladder (the old revolutionistic thought!—W.S.) between which and the next step—called Socialism—there is no resting place."

Opposed to this theory, the following may be said:

(1) The superiority of big industry is not a general superiority: in very important branches of economic life (agriculture) it does not exist.

(2) The superiority of big industry is not absolute, but relative; it is not true to say: the bigger the better, but rather: for every economic sphere there is a different "optimum" of industrial bigness in going beyond which the advantages are changed to disadvantages.

(3) The actual development in the age of high-capitalism by no means resulted in a general concentration of industry, as the figures on German statistics will show. In agriculture there was no massing of industry, while in all other branches of economic life the persons employed in big industries received no more than those active in small industries.

(4) The concentration of industry does not imply a corresponding concentration of the ownership of capital and therefore a lessening of the number of "capital magnates," since through the formation of the joint-stock companies a distribution of the ownership of capital has taken place; nor does a capitalistic centralization imply a proportional lessening of the number of capitalistic magnates, because through the stock-company principle the ownership of capital has become separated from the activities of the employer which has led to a "democratization of the employers."

(5) The concentration (enlargement) actually resulting is, in many cases, not a general business rationale, but goes back in part (namely, in the formation of a concern) to a purely capitalistic interest: credit policy of banks! Manipulation of exchange!

(6) Also, in those instances where there has been a concentration of "business rationale," there is no evidence of an economic superiority of big business, since the profit motive, decisive only in the capitalistic nexus, is by no means the decisive motive in political economy.

But, above all, with the destruction of the belief in an unconditional superiority of big business, other essential parts of the Marxian system lost their significance.

2. Against the Marxian theory must also be placed its proletarianism, that is, its amalgamation with the (industrial) proletariat, and the adjustment of its aims to proletarian interests. If Marx meant that the socialistic movement is the proletarian movement—"the movement of the immense majority in the interest of the immense majority"—this assumption is shown to be erroneous by the fact that even in a country as heavily industrialized as Germany, where the total mass of wage-workers constitutes less than one-half of the population, the great industrial "proletariat" numbers but little more than one-third of the population. And if big business is not always the prevailing form of enterprise everywhere in economic life, then it is not necessary to aspire to an economic constitution which would have the sole rule. If, in spite of this, one still would aspire to such a constitution, it would be through an unjustifiable lapse of good judgment, certainly not through the force of rational considerations, as will be shown in another connection.

3. But, along with the big-business mania, there also vanishes the most percussive means for justifying the demand for equality, which, as we have seen, was the foundation in Marxism for the destruction of labor of quality and its dissolution in undifferential piece-work.

4. The program of monism is likewise weak. It would be justified only if the actual development in all economic branches and in all countries of capitalistic culture had been uniform, namely, in the direction exhibited by the Marxian expropriation theory, or if the remedy were solely in big business. Since neither is the case, why this wretched uniformity of the future economic constitution as preached by proletarian Socialism?

5. The theory of the class struggle likewise hovers in thin air after the foundation has been taken from under the feet of the big-business theory. This theory heads up in the thought, as we have seen, that at the end of capitalistic development there will remain but two inimical classes opposed to one another: the bourgeoisie and the proletariat. Presupposing this assumption, however, is the notion of "the attrition of all middle classes through the rapid advance of the concentration of capital" (J. Guesde). The crushing of the petit bourgeois and peasant class is to clear the soil and free the way for the inexorable class struggle. The proletariat will then be placed over against a clearly defined enemy, the self-contained bourgeoisie.

This presupposition, however, as has been shown, was never realized. Therefore, the conditions of a class struggle, as set by Marx, fall

out of consideration. The events in Russia give conclusive proof of this. Here a small group of industrial proletarians, under the leadership of a handful of intellectuals, gave Communism to a country four-fifths of whose population consists of small peasants who had not the remotest connection with the proletariat.

But in a country such as Germany, the class stratification is, up to the present time, so involved—by the preservation of the middle classes—that the question of a battle front between the bourgeoisie and the proletariat is one that is still largely confined to the minds of the unworldly literati. Quite aside from the fact that the “class interests” of the bourgeoisie, and those of the proletariat, are by no means identical.

6. That the theory of the class struggle ultimately also ends in a myth and is, therefore, removed from scientific criticism, I have already established. Here it is only to be observed that this myth again rests in part upon an alleged scientific examination which has proved itself as unreal. These scientific “theories,” encased in the myth of a class struggle, are chiefly the following:

(1) The so-called “theory of increasing misery,” according to which, in the course of capitalistic development, “the mass of misery, of pressure, of slavery, of exploitation” of the proletariat is continually increasing. This theory, used for the purpose of showing the increasing need of the redemption of the proletariat is contrary to the facts. A careful examination of the figures, as I have given them in the third volume of my *Modern Capitalism* shows that the standard of life, as expressed in the amount of real wages received, was considerably raised during the nineteenth century: the real wages in the countries of capitalistic culture, at the beginning of the twentieth century, were more than twice as high as they were at the beginning of the nineteenth century. The index figures are as follows:

France	Great Britain	United States
1800..... 55.5	1790-99... 37	1848-49... 48
1900..... 100
1910..... 106	1913..... 100	1913..... 100

The increase was still greater after the war, while the period of labor during the same time was considerably shortened.

(2) In complete contrast with the facts is also the promise of the “labor paradise” in the “future state.” Every deterioration of labor conditions is a consequence of big industry. Whether we hold before

our eyes the hellish conditions of the laborer in a mine (in spite of—yes, just because of the coal-cutting machines), in a blast-furnace, in a sulphuric acid factory, in a spinning or weaving mill with their sense-deafening noise, or whether we think of the completely dehumanizing piece-work in a modern shoe-factory, in an automobile factory or in a cigarette factory, the inhuman labor conditions always remain connected with big business as such, that is, independent of the economic system of which it forms a part. In the future state, which knows only big business, these inhuman labor conditions would not be abolished or even ameliorated, but generalized and intensified in their fatal effects. How one is to connect with this prospect the promise of enjoyable labor, remains a secret.

That the change of the worker, predicted by Marx, from one enterprise to another is a delusion, no one can doubt who has even a superficial knowledge of modern business organization. It would offer no amelioration of the torture to go from a mine into a spinning-mill, from a cigarette-factory into a blast-furnace, from a nitrogen plant into postal service, etc.

(3) Most fantastic of all are the predictions of immeasurable wealth for the future. They rest upon a complete misapprehension of the conditions under which wealth developed in the age of high capitalism. One accepts without question that the increase of our wealth was essentially the result of technical progress in the field of production and exchange, as was the case in the nineteenth century. But one forgets that this is due to the concurrence of a series of very special conditions. The wealth of the nineteenth century was largely the result of the opening up of new territory, although this territory was managed in a wasteful manner. But when the stored-up sources of power which were found in the coal and ore beds were first put to use, this did not mean an extension of income but an accumulation of property added to the current income. The productivity of labor was not essentially increased until goods found a world market, which was brought about through the railways, because production could now be carried on where it would yield the greatest returns—in fact, anywhere in the world—and be made serviceable to the interests of western Europe.¹

But in spite of this chain of once favorable circumstances, the increase of productivity, in the period just closed, was not so manifold

¹ See Chapter I.

as is often asserted in Marxist circles, but was only about 100 per cent in one hundred years, as I have attempted to show in the first chapter.

And the production of goods in the future will be carried on under far less favorable circumstances : neither is a like increase of industrial productivity which took place in consequence of the change from the hand to machine labor again to be expected ; nor will a sudden extension of material and supply of energy again take place ; there will not be available in the future any essential areas of virgin soil, nor any mobilization of goods to such an extent as was effected during the period of the extension of railways (the significance of the automobile, in comparison, is nil, if not negative).

All things considered, under the most favorable circumstances we must therefore reckon in the future on a stationary total productivity, even if we would wish to generalize the terror of big business.

* * * * *

We have now concluded our criticism of Marxism, that is, the negative part of it. What we are now obliged to do is to dispose of the positive and chief part of this problem : to set over against Marxian (proletarian) Socialism another kind of Socialism which I call *German Socialism*. What is fundamentally to be understood by that term, I shall explain in the following section.

PART IV

WHAT IS GERMAN SOCIALISM?

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CHAPTER X

THE DIFFERENT MEANINGS OF THE EXPRESSION

IF we are to understand the words "German Socialism" correctly, we must not think of a Socialism as it is thought, written or demanded by Germans. For then we would be compelled to accept that statement made by Liefmann that "Marx and Engels are really the spiritual fathers of German Socialism." Even if one should not regard Karl Marx as a "German," Engels and a great many other Germans who represented views similar to those held by the authors of the Communist Manifesto still remain, and the Socialism proclaimed by them is certainly not what we have in mind when we speak of German Socialism.

By German Socialism one could understand tendencies of Socialism which correspond to the German spirit, whether they are represented by Germans or non-Germans. In which case one might possibly regard a Socialism as being German, which is relative, unified (national), voluntary, profane and heroic (according to the description in the sixth chapter) and which—a fortiori—one might call National Socialism.

In general, the term National Socialism might also be understood as a socialism which seeks its realization in a national union which proceeds from the thought that Socialism and Nationalism are dependent upon one another. This viewpoint of National Socialism is based upon the thought that there is no social order having general validity, but that every order must be suited to the needs of a particular people. For that reason a real order can be established nationally only if it accords with the various external, spiritual and intellectual conditions of the particular nation which God has created. What is true concerning a socialistic order is also true for all ethics.¹

Representatives of such a Socialism are found in abundance. The list begins with Plato and is carried on, I should say, by Thomas

¹ Quoted by Wilhelm Stapel, *Der christliche Staatsmann* (1932): 211ff.

More, Campanella, Fichte, Goethe. In the nineteenth century it was represented in Germany by men such as Lorenz von Stein, Karl Rodbertus, Karl Marlo, Ferdinand Lassalle, Albert Schäffle, Adolf Stocker, Adolf Wagner, Adolf Held, Friederich Nietzsche, Carl Chr. Planck, Hermann Losch, Berthold Otto and others; at present we find, among its protagonists, many Italian Fascists and German National Socialists; in Germany there must also be added many men who were formerly members of the now deceased "Black Front," among whom Otto Strasser, author of *Der Aufbau des deutschen Sozialismus*—a book of intrinsic worth—was a conspicuous leader. There were also many independent writers, such as those of the former "Action" group: Eschmann, Fried, Wirsing, Zehrer, and men such as August Winnig, August Pieper and many others.

But a German Socialism, such as I have in mind, in spite of the excellent achievement of some of these men, we still do not have. For I comprehend this expression in still another—a third—sense. For me German Socialism signifies nothing less than Socialism *for* Germany, that is, a Socialism which alone and exclusively applies to Germany and, in fact, to the Germany of our own day, because it is based upon German conditions, which, like a garment, "is cut to the body," that is, fitted according to measure (no ready-made wear!); which, however, is not satisfied, as so many of the above-mentioned writers would have it, to refer only occasionally to German conditions, and which endeavors to consider the totality of the problems from the viewpoint of German interests.

Neither do I restrict the concept of Socialism to the sphere of economics, as so many of my predecessors have done, but include in it the total order of the German people.

The logical order of this conception is, therefore, as follows: first (abstract) superior concept, Socialism; first (concrete) subordinate concept, National Socialism; second (individual) subordinate concept, German Socialism.

From this conception of the nature of a German Socialism it follows that if we wish to obtain this Socialism, the first and most important essential to the achievement of that end is to have a clear understanding as to what are the peculiarities and demands of Germany, which Socialism must take into account. That is, we must attempt to answer the question, What is German? To that we will now turn our attention.

WHAT IS GERMAN?

THE question "What is German?" is raised again and again, and Nietzsche regarded the very fact, that the question was perpetually asked, as a German characteristic. I shall endeavor in the following to contribute something at least to the clarification of the question by explaining the essential parts and, so far as possible, remove it from the sphere of subjective opinion and place it on a foundation of fact.

This makes it necessary, first of all, to distinguish very clearly between the many elements that enter into the question. The question, What is German? contains, as its first element, the question, What is Germany?; as its second, the question concerning the nature of the Germans, and third, the question concerning the mission of the Germans and their position in the divine plan of the world.

I shall consider these three sides of the problem in a metaphorical, or comparative sense, as

- (1) the body,
- (2) the soul, and
- (3) the spirit

of Germany.

I. The Body

The first element is the *land* of present day Germany. Here we at once encounter—when we speak of the German landscape—a fundamental characteristic of everything German, namely, contrasts. One section shows a uniformity of surface, another the greatest diversity: the German highland and the German lowland stand in the most striking contrast to one another. The landscape around Weimar or Trier and the landscape around Potsdam or Greifswald are two essentially different countries. The climate also shows the same contrasts; but we have, on the whole, a northern climate, that is, one which places the center of gravity of life within doors. Political issues, for example, are decided at the "reserved" table (*Stammtisch*) of some famous inn and not in the market place. The agora, or place of assembly, which is very important in southern countries, is denied to the Germans. Important to Germany is its humidity of climate and soil, in

consequence of which it is rich in forest lands: there are over 12 million hectares of forest areas, whereas Italy, for example, has less than 5 million, while Great Britain, whose insular position gives it the necessary moisture, has a little over 1 million. In poverty of soil, our country can scarcely be surpassed: two-fifths is composed of "unfavorable clay-beds or sand and moor-land"; one-half belongs to the 7th and 8th class; three-fourths to the 6th, 7th and 8th classes. On the other hand, Germany is well supplied with mineral and, especially, with coal beds. In general, Germany is a poor country. The boundaries are the worst conceivable. Germany has really not a single "natural" boundary. This circumstance weighs the heavier because it is surrounded by enemies so that the danger of invasion is constantly pending. Germany is a threatened country.

* * * * *

Who lives in this strange country?

Germany has today, as we know, a population of 65 million in round numbers, that is, 139 inhabitants per square kilometer. Whether that is "large" or "small," whether or not we are "overpopulated," are futile questions because the answer depends upon the standard of life and also upon the method of gaining a livelihood. Japan, with 135, and Ireland with 143 inhabitants, per square kilometer, are obviously overpopulated; Belgium with 265 for the same area is obviously not. It must be observed, however, that the German population cannot at the moment support itself from the products of its own soil. This fact results from the nature of our foreign trade. If we take the estimate of about 13 billion marks, both ways, in 1929, it would mean that about one-sixth came from foreign soil, since the preponderant amount of imports, namely, 82.5 per cent, consists of products of the soil of which 27.2 per cent falls to food and 54.2 per cent to raw material.

The structure of our population, according to age, may in general be indicated by the fact that in the period of 1910-1925 the number of children under 15 years decreased 17.9 per cent, while the number of persons over 65 increased 25.6 per cent; but the growth of our population has, for some years, been practically stationary, if it has not actually receded. It would seem that, at the present rate, when the old persons die off, the number of persons born will not be sufficient to cover the loss, but it should also be noted that the hitherto continually decreasing death-rate has covered the loss in numbers. Accord-

ing to the opinion of experts the death-rate reached its lowest point at 10 per cent in 1932. The loss in recent years of the present generation, according to the corrected figures of the birth-rate, is now 30 per cent.

* * * * *

We still do not know very much about the racial structure of our people. One of the best authorities thinks that "for a thoroughgoing investigation in this field (the German language), there is still everything to be done. The investigations hitherto made are not adequate.¹ Nevertheless, on the basis of our present knowledge, it has been definitely shown that the Germans are a mixed people. From original races, homo alpinus, Celts, Germans, Slavs, Romans, Prussians, Huns, Avars, Lithuanians, Wends, Magyars, Jews—all of whom again represent a racial mixture—there arose a medley which (aside from the Jews) Gunther divided into five races, according to characteristics, namely, the northern, the western, the eastern, the Dinaric and the Baltic. These live intermingled with one another throughout Germany, and only the small area, lying between the Weser, the Elbe and the German Middle-Mountains, forms what might be called a relatively pure Nordic island; it is the area which neither the Celts nor the Romans penetrated from the west nor the Slavs from the east. In many areas of Germany—especially in the great cities—the excessive mixture has already contributed considerably to a deterioration of the species, that is, it has resulted in what has been called mongrelizing.

The Jewish infusion in the German population is considerable, if one compares it with that of the west-European states; inconsiderable, when compared with the eastern states. Unfortunately we do not possess accurate statistics, since hitherto only those who have acknowledged the Hebrew religion, and not those of Jewish nationality, have been reported as Jews. According to confessions of faith the Jews constitute a trifle less than 1 per cent of the population of Germany, and only in certain quarters, as in Hesse and Berlin, is the percentage larger: in Berlin the number rose from 38.6 per thousand population in 1910, to 43.6 in 1925. With its 1 per cent Jewish population Germany holds a position midway between the eastern and the western states of Europe. While the number of Jews is 7 for every thousand of the population for England and Ireland, 5 for Switzerland, 4 for

¹ Hans F. K. Günther, *Rassenkunde des deutschen Volkes*, p. 200.

France and only 1 for Italy, it rises in Austria to 35, in Roumania to 48, in Hungary to 59, in Lithuania to 76 and in Poland to 104. But again, we must always remember that since these statistics include those persons only who are of the Hebrew faith, and not those of Jewish nationality, the farther east the country is located the more nearly do the figures represent actual conditions, because Germany and the western states show a larger number of baptized Jews. How much larger, it is difficult to say.²

* * * * *

The articulation of the German people shows in part a correspondence to, and in part a departure from the articulation of other peoples. The distinctions and divisions have in part an ancient origin, and are then generally good; in part they are of recent creation, and are then generally bad.

Germany is articulated

1. According to tribes. By which we are to understand those parts of the people, or "groups of population," who speak the same dialect. They often show the same racial and constitutional traits and are characterized by the same customs and usages, the same talents and inclinations, so that their cultural productions—philosophy, poetry, architecture, music—bear a peculiar stamp. While the one group, the Thuringians and Hessians, had formed old-Germanic associations, others, such as the Bavarians, Alemannians and Franks, did not form associations until the period of migration; and the tribes in the colonial territory were united at a still later period from very different elements. The researches as to tribal and racial origins, are still in their infancy.³

2. If Germany is no more richly articulated in respect of tribes than are other countries—England, France and Italy—it excels all other countries—with the exception of Italy, which country it also parallels—in this, that fate decreed for it an abundance of small and peculiar state-forms. Goethe spoke⁴ in praise of the inestimable blessings of the "small states" in words so appropriate that I shall quote them here. After expressing his sentiments of patriotism, he said: "Germany is one in love for one another, and is always one against the foreign enemy"; and, after urging the necessity of a united trade

² The figures in this book, when not otherwise quoted, are taken from the *Statistischen Jahrbuch für das Deutsche Reich*.

³ cf. *Referate und Verhandlungen auf dem VII. Deutschen Soziologen-Tag*, 1930.

⁴ Biedermann, 4, 47.

policy, he continued, "Through what has Germany become great other than through an admirable popular culture which penetrated alike all parts of the realm? Is it not the individual residences of princes who are its bearers and promoters and from whom its culture proceeds? Suppose that we had had in Germany, for the last hundred years, only the two 'residence cities,' Vienna and Berlin, or, in fact, only one, then, I should like to know, what would be the condition of German culture; yes, and what would be the state of our generally diffused well-being which goes hand in hand with culture. Germany has over twenty universities, scattered throughout the whole empire, and over one hundred public libraries, likewise scattered; there are many art collections and also many collections of objects from every natural kingdom; every prince provided that such things of beauty and value should be near at hand. And again, the large number of German theaters. . . . And now think of cities such as Dresden, Munich, Stuttgart, Cassel, Brunswick, Hanover and similar ones; think of the great elements of life which these cities bear in themselves; think of the effects which go out from them into the neighboring provinces and ask yourself if all these things could have been, had the cities not been, for a long time, the seats of princes? Frankfurt, Bremen, Hamburg, Lübeck, are great and magnificent, but would they remain as they are, if they should lose their own sovereignty and become incorporated in some large German empire as provincial cities? I have reason to doubt it."

Large as the number of earlier independent states in Germany was, their diversity in kind is equally large: here is, above all, the Prussian state, constructed from discipline and self-discipline, in strong centralized form, compared with the loosely articulated south-German states whose popular will had free play.

3. The contrast here indicated is repeated in our articulation according to religious associations. Germany's population is two-thirds Protestant and one-third Catholic. The distribution of the two religions throughout the country was in part accidental, especially after the internal migrations of the nineteenth century. But at heart the confessions still separate the two halves of Germany, and keep them apart, not only in respect of religion, but also, in every other respect; they divide the cultured country of southwest-Germany and the colonial country of the East, the kingdom of Charlemagne and of Henry the Lion. The evangelical Old Prussia and the south-German empire, the only countries known to the Saliens and Hohen-

staufer, are in their inmost nature two different spheres of culture, which, without the Reformation, would have gone on in their two different ways. The Reformation then intensified this contrast and completed the division of the nation into two halves of equal value but of unequal kind. I could not name another country which contains two such fundamentally different elements as those represented within the German empire by evangelical-Prussia and Catholic south-Germany.

Let us now consider

4. The articulation of Germany according to its economic life. Here we see very distinctly the traces which the capitalistic economic system has engraved upon the nation. Here too, so far as the ravages which that system has wrought is concerned, Germany holds a position midway between the different states of western Europe: they are greater, perhaps, than in France and Italy or even in the northern states, and less than in England. The middle position of Germany is shown at once in the distribution of population among the great economic divisions: of 1,000 Germans there were employed (1925):

in agriculture, forestry and fishing	305
in industry and mining	414
in trade and commerce	165

The German body-politic suffered here a great injury, which has not become apparent until recent years, namely, the injury resulting from the insignificant part which the agricultural population has played, as compared with the total population, which 50 years ago still amounted to two-fifths, and 100 years ago, to three-fifths. In respect of this unhealthy articulation we are behind countries such as France or Italy where the number employed in agriculture still amounts to 384 and 557, respectively, per thousand, but we may nevertheless be thankful that we are not in the condition of Belgium, where only 193 per thousand are engaged in agriculture, or in the condition of England, where there are only 75.

Germany, in common with all countries of capitalistic culture, has the symptom of an excessively large number engaged in trade and commerce. According to the latest statistics this number is, in fact, on the increase: in 1925 three-tenths of all persons active in industry were employed in the apparatus of distribution, but in 1933 the proportion had risen to four-tenths; the lion's share of this renewed

increase went to the ware-trade in which alone 26.3 per cent of all persons employed in industry are now engaged.⁵

A dark spot in the picture of the German people, as in most capitalistic countries, is the excessive participation of women in industry. Of those active in this field, women constitute more than one-third (11.5 per cent of 32 million). If we deduct those employed in agriculture and domestic service, there still remain 5 million.

In order to determine how those who are active in industry in the great economic divisions are distributed among the economic systems and among industries according to size, we must distinguish between agriculture and the other spheres of economics.

The most significant and hopeful fact about Germany is that it is still a real and genuine peasant country. The large land-ownerships (over 100 hectares) constitute only a little more than one-fifth of the tilled agricultural area (20.2 per cent); that is, four-fifths of the German soil is cultivated by peasants on their own account. Of these the large peasant owners (20-100 hectares), who cultivate 26.4 per cent of the total area, preponderate; their holdings extend in a broad central belt from Schleswig-Holstein, over Hanover and Westphalia to Upper-Bavaria, while the western and southwestern lands are settled by small peasants. The large estates belong almost exclusively to the old Prussians to whose peculiarities they essentially correspond.

All other economic branches (industry, trade, commerce, hosteleries, etc.), taken as a whole, in no sense give the picture so often portrayed by Marxists. According to them the great capitalistic industries will conquer all along the line and a remnant only, composed of hand-work and small enterprise, will remain. But that is not true. Rather, a study of the figures shows that big industry (over 50 persons) and small industry (5 persons or less) just balance the scale, while the middle-class industries, with less participation, come in between.

According to the industrial census of 1925, out of every 1,000 persons, 375 were employed in small industries, 236 in middle-class industries, and 389 in large industries.

* * * * *

Our picture may be made more complete by a survey of the property and income relations of the German people.

The number of "natural" persons who owned property in the German empire in 1928 was 2,762,037. These, with their families,

⁵ See *Wirtschaft und Statistik*, I, April number, 1934.

constituted 10-12 million; that is, every fifth or sixth German owned "property." The total value of this property amounted to 77 billion marks. Most of this consisted of small properties. The following figures will show how this was distributed, the first column showing the amount owned by each, the second, the number of owners:

<i>Amount owned</i>		<i>The number of owners</i>
Up to	10,000 marks.....	1.1 million
From 10 to 20,000	"	0.8 "
From 20 to 30,000	"	0.3 "
From 30 to 50,000	"	0.3 "

That is, the number of persons owning property valued at less than 50,000 marks was 2.5 million. On the other hand, the greater share of the total amount of property fell to the middle and large estates. The sum of the estates ranging

from	50,000 to	100,000 marks	amounted to	11.5 billion marks
from	100,000 to	250,000	" "	to 11.5 " "
from	250,000 to	500,000	" "	to 6.2 " "
from	500,000 to	1,000,000	" "	to 4.5 " "
from	1,000,000 to	5,000,000	" "	to 5.2 " "
over		5,000,000	" "	to 1.8 " "

Thus the sum of properties valued above 50,000 marks, amounts to 40.7 billion marks. Since there were, in 1925, in the German empire, in round numbers, 15 million households, the distribution of all the wealth would give to each individual household in round numbers 5,000 marks or a yearly income of 300 marks; the distribution of the middle and large estates alone would give to the same unit 3,000 marks or a yearly income of 180 marks, while that of the estates valued at a million marks would give but 500 marks, or an annual income of 30 marks, to each household. Such a distribution would, as one may see, scarcely be worth while, even at a 6 per cent rate of interest.

The distribution of incomes, as given us by the statistics of property, permits us to get even a more distinct view of the picture. Of the wage and salary class (1926), 10 million received less, while 12.5 million received more, than 1,200 marks a year. If we add to the 10 million those receivers of wages who are tax-free and who have an equally low income, but who do not come into the wage relationship (small peasants, small handworkers, small shop-keepers), the results will, perhaps, show that there are quite as many persons

in Germany who receive less, as there are of those who receive more than 1,200 marks income a year. Approximately 2.25 million households, representing one-sixth of the population, in 1929 had an income of over 1,500 marks; that is, there was that number of householders who owned "property." If we regard well-being as beginning at an income of about 12,000 marks, and ending at an income of about 50,000 marks, it means that there are, roughly, 200,000 "well-to-do" families in Germany, who constitute about 1.5 per cent of the population, while the number of "rich" families (with a yearly income of more than 50,000 marks) does not exceed 15,000, which means about one in one thousand.

There remains for consideration, a final, very important articulation; that is

6. Articulation according to residence. German statistics distinguish between rural and urban population, according to whether people live in a place with more or less than 2,000 inhabitants. The census of June 16, 1933, gives the following:

Rural population, 21,489,856, or 32.97%

Urban population, 43,698,770, or 67.03%

The urban population is, in turn, distributed among the different classes of cities as follows:

<i>Class of cities</i>	<i>Total number of inhabitants</i>	<i>% of total population</i>
2,000 to 5,000 (country towns)	6,947,642	10.65
5,000 to 20,000 (small cities)	8,534,642	13.09
20,000 to 100,000 (medium cities)	8,537,411	13.10
100,000 and over (great cities)	19,678,830	30.19

This alarming disproportion between rural and urban population did not develop until the last two generations: while in 1871, a little more than one-third (36.1%) lived in cities, today more than two-thirds (67%) live in urban centers. The lion's share of this increase goes to the great cities. In 1871 only 1,968,537 (4.8%) lived in cities, while at present, as we see, the number is exactly ten times as great—19,678,830 (30.2%). These figures show Germany to be far ahead of most other countries as a nation of great cities. It is exceeded only by England (39.8%), Scotland (38.6%) and the Australian Confederation (49.9%), while all other countries show a

smaller number of great cities : the United States 28.8%, Italy 17.4%, Switzerland 16%, France 15.7%, Spain 14.5%, Sweden 14.2%, Poland 10.4%, and Russia 7%.

II. The Soul

Does the German nation have a soul? If it does, there must be a "soul of the people." Is there such a thing? Not if we accept the term literally. For it would contradict every notion that we could form about people and soul. The soul, during its earthly career, no one will deny, is bound to life, is life itself. But life is, in the true sense, connected with an organism, as it is represented to us in man, animals and plants. But the people is not an organism, consequently it can have no soul. To make of the people an organism, and thereby the bearer of a soul, is vague mysticism. To regard the people as a "super-organism," is an evasion, for a super-organism is not an organism. The people is formed from organisms, from organizations of people, from millions and millions of citizens, from the dead and from the living. Not from those yet unborn—concerning these, we come to another line of thought, as will be shown later. In the meantime we have to deal with the facts of experience, with people and associations of people, and to these the future races do not belong. The millions of individual souls who have lived or are still living and who belong to the nation, come under consideration in the facts of the case, but the "soul of the people" does not belong here. We may play with the term; we may talk as if there were a soul of the people. But under that assumption it exists—and its peculiarity consists—in nothing else than the million-fold thinking and feeling, wishing and creating, of all individuals.

But our thinking is not contented with this generalized statement. We should like to see unity where there is confused multiplicity; we should like to be able to perceive something like a *general German species*—for aught I care, let it be that concept expressed by the specially coined term, "the soul of the people." A concept that is not unobtainable. We could obtain it by disposing the million manifestations of individual German souls according to certain fundamental principles. We can determine what expressions of the soul are more frequently observed than others; we can determine whether a certain constancy of such manifestations over a period is provable; we can test eminent persons on the basis of their own peculiarities; finally, in the spiritual discouragements of the soul—in the state,

philosophy, art—we can determine whether our investigation has led to the correct results.

Since in all this we are dealing with nothing but empirical determinations, either the number or weight of these manifestations of the soul will be the determining factor. In order to clarify what has been said, let us take, for example, the statements of prominent Germans concerning the "drinking propensity" so often characterized as a German trait. Thus Luther: "Every country must have its own devil; Italy its own, France its own; and our German devil must be a big wine pouch called Tope, since it requires such enormous draughts of wine and beer to quench his thirst; and I fear this eternal thirst will continue to plague Germany till the judgment day."⁶ Whether such an assertion, also made, as we know, by Tacitus and repeated by Bismarck, was correct even in their own time, could be established only by knowing the number of drinkers and the quantity they consumed. For certainly there were some people in the time of Tacitus, Luther and Bismarck who were moderate and abstemious. But what proportion? One could scarcely take the position that all eminent Germans—Armin, Luther, Goethe and Bismarck—were "topers."

Or take another example. To say that the Germans are slow and unwieldy (as Stendhal, Schopenhauer and others assert), is to forget the small, active, whisking, clever Rhinelander who is also a German. And to call the German submissive is to overlook the stiff-necked dithyrambic marches which should convince one that the statement is too sweeping.

What, then, is "the real German," the "German person," the "eternal German"? Certainly not what a brilliant writer, to whom we are greatly indebted for what we know about the nature of the German, thinks when he says: "the fictitious embodiment of all that which every German has in common with every other German and which is typical for all Germans."⁷ That would constitute merely the general, human—biological—traits. No, the German is not a fictitious individual but a real person in whom the different peculiarities are present in a definitely mixed relationship and, because of the presence of the different peculiarities, bears a definite stamp.

Concerning the peculiarities themselves, empirically discoverable in Germans (as in all other people), we may say that they are con-

⁶ *Wider Hans Worst*, 1541.

⁷ R. Müller-Freienfels, *Psychologie des deutschen Menschen* (1922).

stant, that is, permanent for all time. We still have today dominant traits described by Tacitus (A.D. 55-120) as peculiar to the Germans. And to that extent German remains German throughout the changing centuries, for example, the *furor teutonicus*. To conclude from this that there are, therefore, dominant racial traits, belonging to the genotype, may be very near the truth, but it remains unprovable. On the other hand, there are German traits which undoubtedly change with time. Judgments, such as those of Luther and Bismarck, concerning the drinking propensities of the Germans, even if they were true at the time, have certainly lost much of their validity at present. For the student of today is no longer the jolly toper of earlier days, but has become essentially a lemonade drinker. The whole people has also become more "abstemious": the consumption of beer, in the customs district alone, in the nineteen years preceding 1932, sank from 102.1 liters per capita of the population to 56.8 liters; that of brandy from 5.40 to 3.18 liters. It is, therefore, not merely a question of an external change of custom—which might mean substituting the morning for the evening drink, or replacing beer with wine—but a change of desire, of character. To attribute this merely to a change of phenotype (Phänotyps) or to infer from it inheritable attributes of a genotypical nature, is not admissible, for change may quite as likely result from the selection or expunging or persistence or repression of certain variants. At all events the observation of this ability to change should always caution us against forming conclusions concerning the spiritual (seelische) nature of a people without reference to a given time.

We must, therefore, clearly understand that the term "German species" (or type) is used in very different connections, depending upon whether we use it in a general sense, including a German species, or in a particular sense, applying *only* to a German species. Used in the former sense, the German has more or less in common with the non-German; in the latter, it applies exclusively to the German. The sphere in which an agreement may be shown with the German, is decidedly different and very differently formed; in part, the spheres overlap, and in part they are separate. The German has characteristics in common:

- with all people,
- with all people of the white race (including Jews),
- with all Indo-Germans (including Romans and Slavs),

with all northern peoples (including Eskimos),
with all west-Europeans (Italians, French, etc.),
with all peoples having a strong Germanic mixture (the Scandinavian and English),
with all mixed peoples,
with all industrial peoples (including Americans and Japanese),
with all peoples of capitalistic culture.

These premised, I shall now attempt to give a survey of the "German peculiarity," the "German nature" and the "stamp of the German soul" as it may still be observed today. In doing so I shall limit myself to an emphasis upon those fundamental traits, recognized by the fact that they may also be traced far back into the past—the farther, the better—those traits which we may, therefore, regard as especially deep-rooted. The radicality of these traits I shall then attempt to make more credible by showing how deeply they are imbedded in the most important productions of our German spirit.

I shall, therefore, leave out of account those traits which were stamped upon the German by the most recent developments, during the economic age, and which I have attempted to portray in the first section of this book. Doubtless Germany suffered to a large extent—in part much more than other countries of a similar fate—from the economic disease, and through it the Germans to a large extent received a stamp which no longer distinguishes them from other peoples who also lived through this epoch and who were afflicted with the same disease. We have seen that one of the outstanding characteristics of the new spirit is the levelling tendency, even of national differences. There is no doubt that the German today is far more like the Frenchman or the Italian—or, let us say, for example, that the German industrial worker is more like the Italian or French laborer than he was two generations ago. We shall endeavor to discover the peculiarities which still distinguish the German from the more universal type of our day. And the chief aim of the following presentation is to set forth, particularly, the nature of the German.

* * * * *

We will begin our survey with an enumeration of the fundamental traits which the Germans have in common with other peoples. I will mention three:

1. The Germans are an active, positive, energetic, enterprising people and, together with all west-Europeans, are thereby distin-

guished from most oriental peoples, from the Russians to the East Indians and the Chinese, while the Mongolians and Japanese belong to the active peoples.

2. The Germans are a masculine people: the man is the center of the household and of the cultural life. All tendencies to a woman's cult, as found in other countries, for example, in France and Poland, are lacking with us. Therefore, the manners of the rude German are like those of other peoples. This division into men-folk and women-folk no doubt goes back to the original, economic and legal conditions: here the nimble stockbreeder, the agriculturalist, the sea-robber, with a patriarchy; there the peasant with the hoe, with a matriarchy. It is to be observed that even today, in those countries where the rule is in the hands of the woman, as in France, garden-like agriculture is very extensive.⁸

3. The Germans are a country-people. They are attached to the soil and country life, in contrast, for example, with the Italians. Briefly formulated, in Italy every village and every park is a city; in Germany every city carries a village within itself, or, to put it differently, every resident of a city carries a longing for the village in his heart. All old-German cities are built according to a village plan. In new cities the well-to-do people wish to live at least as comfortably as those in a village (the "suburban villas" are found in no large city of Italy or France), while the poorer people strive to have a *Schrebergarten* (small garden), but finally content themselves with a pot of flowers. Anyone in France or Italy who ventures to take a "stroll for pleasure" outside the city gates becomes ridiculous; in Germany all leave the city on Sundays to find recreation in the country. The "roving passion" (Wanderlust) of the Germans, and, finally, their passion for travel, goes back in part to their origin.

Certain it is that we here have to do with a very ancient peculiarity of the Germans. Tacitus, the city dweller, had observed it. In another connection,⁹ I have called attention to a scarcely observed event in the middle ages in which the fundamental difference between the German and Italian temper finds expression: at the very time (the twelfth century) in which the Italian communes made it a duty for the feudal lords to live in cities, the German cities threw them out of their gates. Therefore, Italy, the country of cities, Germany the country of

⁸ The contrast is also seen in other cultural countries—Japan, China.

⁹ *Moderner Kapitalismus*, I, 152.

castles! No doubt, then, that the different policies, which at first were certainly conditioned upon the peculiarities of the two peoples, contributed much to establish present practices.

That this characteristic of the German, to live in the country, in spite of all urbanization, has remained to the present time, shows how deeply rooted it is.

I shall now call attention to a number of essential characteristics which I believe are more universal in the German people than in any other, and in which our particular traits are especially manifest. They may be designated by the words: *thoroughness, objectivity, self-glorification.*

1. The thoroughness of the German expresses itself in that he takes all things—himself and the world—in dead earnest in thinking, feeling and acting.

In his thinking he ruminates, he subtilizes, he speculates, he theorizes, he dogmatizes. When he observes a work of art he clings, not to the color or form, but wishes to know what it means. Nor does he wish to live merely “unto the day,” but wishes to know the meaning of what he is doing. “Particular action must always be an emanation of a definite conception of the meaning of life to which one recurs gladly and contentedly in order to acquire new courage and will for the special tasks.”¹⁰

Since all speculation concerning life goes beyond the bounds of experience, the German gladly tarries with his thoughts in the supersensual world. We are, one may say, a metaphysical folk. And even there, where the German fundamentally avoids the transcendental and turns to empiricism and the mundane sphere, he shows himself a born metaphysician, even though with negative forebodings.

He attempts to bring everything under a theory, a system, and his whole thinking must always culminate in a *Weltanschauung* (a word that cannot be translated into any other language). Thereby his view is often clouded when he faces the realities of life: he becomes doctrinaire. That this is not merely a case of bad habit among a professorial few, but a widely spread mass-phenomenon, is obvious upon a mere glimpse into the political life of the Germans. In what country are political parties divided according to the viewpoint of a “theory of life”? What other laboring class has succumbed to the queer theories of Marxism to the same extent that the German laborers have? In what

¹⁰ Rudolf Stammler.

other revolution has the *Weltanschauung* played a rôle similar to that of the national exaltation of the present? If the Germans are called—rightly—a non-political people, the reason lies in their doctrinairism and, therefore, ultimately in their inclination to “take everything in dead earnest.” In what other country would the leading statesman have given such an unholy turn to the “scrap of paper”?¹¹ The diplomatic cant, so masterly employed by all enemy powers, is foreign to our nature. For that reason we so often succumb in the international game. What other nation took disarmament in earnest? We did take it so. In this peculiarity of the Germans there is also embedded an essential trait which is both our pride and our fate, namely, the “cosmopolitan” mind. The Germans are (aside from small nations) the only people who always have had an open mind for the values and significance of foreign culture, which for that reason all too often has injured them, in so far as foreign influence has been allowed to occupy too large a place in their lives and which, in their admiration for things foreign, has caused them to forget the development of their own culture. I shall recur to this point again.

In the realm of feeling, German thoroughness expresses itself in a number of characteristics which every intelligent observer perceives in the Germans: subjectivity, sincerity, heartiness, yearning for the unknown, intense longing—these are the essential constituents of the German soul, traits, however, for which, in most languages, there are no equivalents.¹² But the “thorough” German is also crotchety, moping, and suffers all too often from a “depressive, uneasy state of mind,” which stands in contrast with the gaiety of the French and is somewhat akin to the “spleen” of the English (peculiar to the northern peoples?).

Thoroughness in business becomes conscientiousness, *coscienziosità*, which, in turn, expresses itself in perseverance in labor, *perseveranza*, so much admired by all foreigners, especially by southern peoples. Nothing strikes the foreign traveler in Germany more than the unflinching performance of duty among all classes of people: the performance of a prescribed task, as a matter of course, ability for, and in all things, a firm determination to let nothing deflect them from their aims, in a word—German diligence.

¹¹ An expression used by Bethmann-Hollweg in explanation of the German invasion of Belgium at the outbreak of the World War.—Editor.

¹² The German words are: *Innerlichkeit*, *Innigkeit*, *Gemüt*, *Stimmung*, *Fernweh* and *Sehnsucht*.—Editor.

Another fundamental trait of the German soul is, I repeat,

2. Objectivity, and in a double sense: an inclination and a capacity for dealing with things.

Objectivity, as inclination, is often brought forward as an essential trait of the German, and the words of Richard Wagner—"To be German means to do a thing for its own sake"—have often been recalled. The same thought speaks in the legend engraved on the old *Haus Seefahrt* in Bremen: *Navigare necesse, vivere non est*. Objectivity here signifies the equivalent of need of devotion, or joy in devotion. To the "thorough" German the "thing" seems light as a task, given to man by a higher power; and to serve the thing means to serve the idea. We are here concerned with the actual German concept of "legality" or, if you will, with the notion of duty in the sense of a "happy affirmation of the compulsion accepted by the will itself."¹³ This kind of objectivity is heroic in the sense in which I have used the word above.

It is the fundamental trait in the soul of the lowest German worker, and it is the conception which all great Germans have represented:

Frederick the Great: "It is not necessary that I live, but that I do my duty to my fatherland, in order to save it, if it still can be saved."

Goethe: "Endeavor to do your duty, and you will know at once what is in your power. But what is your duty? Whatever the day demands."

Schopenhauer: "If we take the consideration of the human race into the bargain . . . Here too life in nowise presents itself as a gift to be enjoyed, but as a task, a task to be performed."

Nietzsche: "What is there to happiness; do I live for happiness? I live for my work."

The German obeys gladly, he rejoices in a clear and sharp command, he follows the leader, but only because, and in so far, as he sees in him the embodiment of an idea; he does not subject himself to the person, but to the thing which the person represents. For this reason we do not pursue a hero-cult. "We are not given to hero worship. We regard it as idolatry and, in justice to the idea and our free self, responsible only to God, we would, in fact, be unjust to the hero, if we permitted the friends of the hero to urge us to worship him."¹⁴ Bismarck, not Napoleon! Hitler, not Mussolini! We are a

¹³ R. Müller-Freienfels.

¹⁴ Paul de Lagarde.

people of legality, of loyalty, of authority. Even our revolutions run an "orderly course." The new order of state, it should be remembered, is also "legal," that is, it was enacted in accordance with the former constitution.

A capacity for dealing with things, corresponds to the inclination to be objective. It has its reason in a defect of our nature: the defect of a sensual, artistic bent, or better, the defect of aestheticism. This defect results in what I have called the talent of the one-sided person, the specialist. We dissolve the individuals into a number of parts which we adjust and subordinate to objective purposes. Our social one-sidedness is based upon the ability to arrange ourselves into a large whole, a powerful organization, so that we function as a small wheel in a mechanism—the far-famed German talent for organization! The Germans—the best officials in the world! The sense of duty here appears as discipline.

I have already referred to the reverse side of our objectivity: it consists in this, that the sense for form and its beauty is wholly lacking in us. It is difficult for us to see and to value the man in his inward isolation, in his personality. It would occur to no other people to criticize and condemn, from top to bottom, a deserving statesman, a distinguished educator or artist, because he once produced a work which did not please the public. Since we do not have a sense for personality as form, we have no love for form in general. And no formal gift. We can neither write well nor speak well. For that reason, we do not place a high value on fine writing and good speaking. They appear to us as something trivial and superficial, and so violate our objective sense. Neither are we readily caught by the phrase-makers in public life.

I have also designated as a fundamental trait of the German soul

3. Self-glorification or, if you will—though I do not like the word—individualism. "Certainly at present, the stereotyped and almost mechanical conformity of the French, the more natural, mature conformity of the English, and the dull, herd-like conformity of the Russians, form a distinct circle about Germany, as the country dedicated to the individual and to aspirations toward self-glorification, at least among all those whose character and work determine the contour of the German face," writes Kurt Breysig;¹⁵ and he adds that the endeavor "to make out of the meditative and reflective, self-willed

¹⁵ *Vom deutschen Geist und seiner Wesensart*, 1932; p. 268.

and absorbed German, drilled to the 'goose-step,' the recruit for a mental army, is foreign to our nature." I believe he is right, and what he says is true not only for the eminent, as he believes, but also for the broad masses of people. Think of the countless fragmentary parties, of the unions, conventicles, "fronts," organizations, associations, periodicals, confessions, demonstrations, and "trends" which, until recently, did their work (or their mischief) in Germany, and which, because of their numbers, were unintelligible to every foreigner. The German is not readily disposed to accept the purely external compulsion of a custom, as his clothes or his sociability, in contrast with the Anglo-Saxon peoples, will show. And the thing, the idea, or the institution which he wishes to serve, he prefers to select for himself. He is a "joiner"; yes, he demands regulations and order, but he wishes to impose them upon himself. He is always concerned with the self-determined forms of life which, under a freely accepted compulsion, bind him only externally.

For that reason we find among no other people so many individuals with a household of their own (*Eigenbrötler*), or so many odd characters, crotchety persons, pedants and numskulls as there are with us.

Concerning self-glorification, as a fundamental trait of German nature, Goethe once said to Eckermann: "The French and English hold together far more (than we do) and conduct themselves in accordance with one another. In clothing and behavior they have something in harmony. They are afraid to deviate from one another, lest they appear striking and ridiculous. But each German goes according to his own notion, each seeks to find enough to do for himself; he does not concern himself with others, for each is animated with the idea of personal freedom." Bismarck once expressed the same thought in a humorous form as follows: "In France and England the herd follows the bellwether, but in Germany each is his own blockhead (*Schafskopf*)."

We have now given a number of coinciding, fundamental traits of German nature which distinguish it from the nature of other peoples. But we must keep in mind that that which distinguishes the peculiarity of the soul of our people, perhaps more than anything else, is the variegation and diversity of our nature.

This fact has a three-fold explanation. In the first place it signifies that in the German people the individual types are composed of an unusually large number of strains. The various groups of the population, as we saw above when considering the articulation of the German

people, while externally different, bear, naturally, also an entirely different stamp in their spiritual constitution: Prussians and South-Germans, Old-Germans and New-Germans, Protestants and Catholics, peasants and industrial workers, and, above all, different races—each division shows different spiritual dispositions. And so the general German characteristics which I have mentioned will be found in very different degrees among the inhabitants of the different regions of Germany; there will also be found very different types and very different combinations. Think of how many more hypercritical, phlegmatic, and reflective persons there are on the Frisian waterfront than in the cheerful Moselle valley! How many more of the servant-type, of the submissive, order-loving type in Old Prussia, with its strong infusion of a Slavic population, than in defiant Bavaria! How many more odd and original characters in the Suabian region than in Berlin, if, indeed, one may regard this city as a German community at all; and how many more among the peasants than among the industrial workers! Perhaps there also passes directly athwart the soul of the Germans the over-towering contrast, of which I have already spoken, of the Catholic empire of Charlemagne and of the Protestant empire of Henry the Lion, which compresses all individual peculiarities into an inner duality.

The variegation and diversity of the German soul expresses itself in still another sense: many traits which I have not mentioned are characteristic of a portion of the German people and distinguish the latter from those in whom they are lacking. There are, for example, “musical” regions in Germany, vibrant with songs, while others are completely dull and unmusical. To call the “Germans,” as a whole, a musical people, because there are so many musical geniuses among us, is entirely misleading. Italy is a “musical” country, because every street urchin sings correctly, whereas the German shouts.

The variegation and disunity of the German soul manifests itself in still a third, and the deepest sense. And that is, that there are in the individual German, all too often, different traits in very different proportions and in very different combinations, so that we meet people in Germany, perhaps more often than elsewhere, who suffer from internal distraction and have a greater number of contradictions. In fact the characteristics which we have mentioned as fundamental traits of German nature, present to a certain extent contradictions in themselves: above all, the impulse to devotion and submission, on the one hand, and the impulse to individual liberty on the other, contrasts

which find their reconciliation only in the irrational idea of automatic legality. The foreigner does not understand this deepest of all German traits; he sees only contradictions where it is a question of internal tension. This explains the origin of the disharmonies in the soul of the German, which lead the various spheres or units of association to enter into a "competitive significance" with one another. There are, by way of illustration, those who belong to the same state, the same religion, the same race, but who, therefore, by no means always stand in a relation of suitability to one another. If one is a Prussian, a Protestant and a Pomeranian, he will be able to bring his soul into a state of equilibrium. But if he is a Prussian and a Catholic or a Rhinelander and a Protestant or a citizen of Baden and a Lower-Saxon, the combination will always result in a continual spiritual tension. We must, therefore, concur in the sentiments expressed by a keen observer of the German soul when he writes: "As a people made up of the most extraordinary mixing and mingling of races, perhaps even with a preponderance (?) of the pre-Aryan element, as the "people of the centre" in every sense of the term, the Germans are more incomprehensible, more comprehensive, more contradictory, more unknown, unfathomable, more surprising, and even more terrifying to themselves than other peoples are."¹⁶ The lucid, balanced, rationalized Frenchmen speak of "*L'énigme allemand.*" That is, in fact, the final result of an analysis of the soul of our people—a German enigma. We have more contradictions, but therefore, perhaps, also more possibilities than any other people on earth. This wealth in contradictions comes finally from our wealth of ideas, which is also admitted by wise and unprejudiced foreigners. No less a man than Taine said: "Germany has produced every idea of our age, and still for another half—perhaps an entire—century, our chief task will be to elaborate these ideas."

* * * * *

Through a brief survey of the cultural works of the German people, in which the German soul has found its expression, I shall now attempt to show that the foregoing statements correspond to the reality. I can do so very briefly, for the evidence lies in the sphere of everyone's experience. Every one can, therefore, undertake his own examination, perhaps, better than I can, at least to the degree in which his knowledge is more extensive than mine. In this survey I shall limit

¹⁶ Nietzsche, *Beyond Good and Evil*, No. 244.

myself to those cultural productions which are peculiarly German and which, therefore, reflect spiritual characteristics, in which thoroughness, objectivity and self-glorification are evident.

Thoroughness in thinking shows itself in the forms of thought which, like our language—*diffus et prolixe*, the French call it—are deep and obscure. Our thoughts are governed by “the deep, German impenetrability”; to employ an expression of Fichte, our thoughts hover as something “darkly floating,” something “immeasurably enigmatical,” in contrast with the all too often transparent simplicity of the French or Italian or English train of thought. The most striking expression of this obscurity is found in German philosophy. But this also carries with it, very distinctly, that metaphysical trait which we have recognized as a fundamental constituent of German nature: and it is true not only of our great philosophers whose metaphysical attitude has always been admitted as decidedly marked, but also—and just that is significant—of philosophers of the middle and lower ranks, of the works of Feuerbach, Ostwald and Häckel, down to the Sunday preachments of the Society of Monists. But even this “philosophy of the half-educated,” as it has been strikingly called, always bears a metaphysical stamp that is lacking in popular philosophy and even in the works of important philosophers of other nations. This metaphysical trait, as an emanation of German thoroughness, manifests itself also in our great works of art: in the Gothic, as well as in “Faust” and in the works of Bach.

The receptivity to foreign culture, which I have likewise deduced from the thoroughness of German thinking, is again reflected in the ever recurring “renaissances” and in the repeated frustrations of German nature through external influences, which our history shows: Ludwig the Pious! Humanism! German-Italian renaissance! French-worship in the seventeenth and eighteenth centuries! Classicism of the middle-Goethe period! Foreign-word craze!

In order to understand what German thoroughness signifies in the realm of feeling, where, as we saw, it appears as intrinsic and intimate, one should compare an early poem of Goethe, or a poem of Eichendorf or Möricke, with a poem of Voltaire or Alfred de Vigny or Verlaine; a novel of Balzac or Zola or d’Annunzio with *Werther* or *Der Grüne Heinrich* or *Stechlin*; *Fidelio* with *Rigoletto* (in which one may withhold all attempts at evaluation).

As to German diligence—thoroughness in action—our economic “upswing” in the nineteenth century speaks eloquently, as does also

our greatly admired energy by which, in spite of the greatest oppression, and in spite of unbearable burdens, we maintained our life after the World War.

German objectivity—as it appeared in its two forms, as a requisite for subordination and as a capacity for organization—is shown in nearly every work that has been executed in Germany, so that it is needless to cite any particular cultural achievement in which it has manifested itself. It is sufficient to point to a single product which in its scope bears the most vital testimony to the prevailing objectivity—Prussia, the Prussian state and the Prussian spirit. In this connection mention may also be made of our great work in organization: the army, the civil service, the cartels, the trade associations, the National Socialist Party, natural science.

German self-glorification expresses itself in cultural works in the tendency to be “uncontrollable, unfettered,” as Kurt Breysig aptly calls it; “by which, however, is not to be understood uncontrollability in the sense of complete confusion, but in the best sense of irregularity, in a disinclination to readily accept an order which is too regular, too plan-like, too obvious, too superficial—in particular, too empty and too common.” This stamp is impressed upon all that which constitutes our fame and our pride—upon “the most German of the German.” Witness to that: Gothic, Baroque, Rococo, a genuine German style, as Breysig has shown; German *Sturm und Drang*: Klopstock, *Räuber*, *Götz*, *Urfaust*. In which connection, then, of course, the whimsicality of Jean Paul, E. T. A. Hoffmann and Wilhelm Raab came into vogue. Here too belongs the constitution of the “Roman empire of the German nation,” which was the spirit—humor—of Jean Paul or Raab in public law. Until finally the “unrestrained irregularity” in literature took on a morbid form—the romantic!

Another witness to the overwhelming significance of self-glorification in our culture may also be cited, as I think of the poignant words which Goethe once spoke to Eckermann: “The Reformation came from this source, as the student-protest on the Wartburg came, intelligent as well as foolish. Also the variegated quality of our literature, the mania of our poets for originality, and the firm conviction of everybody that his peculiar mission in life was to blaze a new trail, as, for example, the retirement and isolation of our intellectuals, where each carries on for himself and from his own point of view in his own way (what is still true today in the mental sciences!

—W.S.),—all comes from that,” namely, from the idea of personal freedom.

Finally, we must also recall here, in this general view of German cultural values, that trait of the German soul to which we have already given attention: its polychromatism, multiplicity, non-uniformity; its contradictory, unbalanced, chaotic traits. This characteristic expresses itself alongside the most heterogeneous achievements, as well as in the contrasts which so many individually created and individual-works reveal.

We have in the same Germany, states of such different stamp as Prussia and, let us say, Baden; in the sphere of religious communities we have, side by side, Catholicism and Protestantism; in philosophy we have the scholastic by the side of the mystic, Schelling along with Feuerbach, Hegel along with Schopenhauer, Kant along with Herder, Hamann and Jacobi; in architecture we have the Romanesque, Gothic and Rococo; in the poetic arts we have the “classicists” and the “romanticists,” Gottfried Keller and C. F. Meyer, Gerhard Hauptmann and Paul Ernst; in music we have Bach and Schubert, and so on.

The same wealth, the same diversity, the same variety in the works of individual geniuses! Who would believe that Frederick the Great had written flute-compositions and fought the battles of the Seven Years' War? Who would have ascribed *Werther* and *Divan* to the same poet? Who would guess that the first and the last works of Beethoven came from the same composer? But this wealth of variety often leads to opposition, to contradiction, to tension, not only in the person but also in his works, yes, in a single work. How often do we here find a “concomitant note of mystery, of insolubility, of opacity, of incalculability”! Think of *Faust*, of Beethoven's last sonata, of Hölderlin's hymns, of Nietzsche whose work is a very arsenal of contradictions!

To what extent the reconciliation of contradictions belongs to the first principle of the German soul is best evinced by the fact that the Germans have created a conception of God in which the *coincidentia oppositorum* determines existence. From Nicholas of Cues came the definition of God as *complicatio omnium etiam contradictoriorum*.

But *coincidentia oppositorum* means the collapse, the union and ending of the contradictions of things in the Absolute, in God. Doubtfulness, *Indifferenz* of subject and object, Schelling calls the “absolute,” because it is elevated above these contrasts and does not

separate until the appearance of these two "poles." Similarly have Leibniz, Kant and Hegel philosophized. German!

This contradictory and, therefore, always incomplete fact, which characterizes German nature in the deepest sense and is also revealed in the greatest works, has been expressed in the thought: "The German is not, he is becoming; he is developing."¹⁷ Perhaps this expression contains the final meaning of German existence and German creation, and Mephistopheles may have truly characterized the German and his work when he says of Faust:

"An inward impulse hurries him afar,
Himself half conscious of his frenzied mood;
From heaven claimeth he its brightest star,
And from the earth craves every highest good,
And all that's near and all that's far,
Fails to allay the tumult in his blood."

III. The Spirit

In the preceding account I have attempted to sketch the peculiarity of the German people as it is represented by history. It presents a variegated picture of all kinds of qualities and inequalities, pleasant and unpleasant traits. What have we gained by it if, in tracing this picture, we see no more than an interesting play? Does this survey of the body and soul of the German people give an answer to the question from which we proceeded at the beginning? On our part we have certainly attempted to expound a Socialism—"our Socialism"—suitable to what is peculiar to German conditions and have, therefore, asked "What is German?" And now we have learned that German *Volkstum*¹⁸ (nationality) is composed in part of traits of the body and in part of the soul, which most certainly we would wish neither to perpetuate eternally nor exterminate root and branch. If we asked concerning *Deutschtum* (the quality of being German), it was because we wanted to ascertain the real, true, good, exact German nature; we wanted to know, not what was once German nor what is German today, but *what German should be*. The road we have thus far traveled has apparently not led us to understand what it should be. But our road was that of empirical investigation. We must now

¹⁷ Nietzsche.

¹⁸ This term, first introduced in 1810 to replace the foreign terms *nation* and *national*, has since been entirely naturalized, but there is no exact equivalent in English. See Flugel's Dictionary.—Editor.

leave that road and strike upon another. There can be no doubt as to what that is: it is the "royal road" of metaphysics, the road which leads from the bathos of experience into the bright realm of ideas.

Manifestly there is such a thing as a folk "idea,"¹⁹ as there is an idea of the individual person: an eternal entity, a monad, an entelechy. This idea contains the essence which God has stamped upon this person and this folk and which is posited for the individual person, as for the individual people, to be realized on earth. One who does not believe in such an idea wanders in darkness and error. The only light that shines in darkness is this idea; it is the guiding star for our individual life and for that of our people; and to live this idea is our sole duty. In the individual we call it one's personality; in the people, *Volksgeist*²⁰ or the genius of a people. This genius goes before the people as a cloud by day, as a pillar of fire by night. In reality it is always only an aim, a task.

The folk-species (*Volksart*), as we have come to know it through our German people, is manifold, it comes from the blood and from history, and goes with the people and changes itself with their destiny in accordance with the change of this or that constituent. The folk-spirit (*Volksgeist*) is a unity; it comes from the transcendental world, is always the same, firm, unchangeable from the beginning of time to the final day. The folk-species rests in the living persons, the folk-spirit rests with God. The folk-species may more or less approach the folk-spirit or remove itself from it. It is the mission of prophets to call back a people to its idea, if it has become "degenerate." The folk-spirit is the means of educating the species to a high degree of discipline. It may be possible that a single individual, in whom the idea has remained alive and who embodies the folk-spirit, will call his people, who have fallen into idolatry, back to God.

The folk-spirit cannot be recognized through categories of reason nor from an analysis of experience. We can succeed in possessing it only by way of an inner view; it manifests itself to us only through the words and deeds of great compatriots: in a poem of Goethe, in

¹⁹ I shall speak about the ambiguity of the word *Volk* in another connection. See pp. 180ff. Here it is used in the political sense.

²⁰ The word spirit (*Geist*) is here used in the sense of the "absolute" spirit or as part of the absolute, since it indicates no facts of experience, as it does when, as a "subjective" spirit, it expresses a special peculiarity of the human soul, or, as an "objective" spirit, the abasement of the human soul to cultural values. The unfortunate impossibility of eradicating the ambiguity of the word spirit (*Geist*) from the world has led to much confusion of thought in our time.

a symphony of Beethoven, in a cathedral or a castle, in a victory of a general, in the works of a statesman or a philosopher. We believe in it because we may see it ourselves or because it is proclaimed to us by the seer, the poet, or leader who speaks to us, saying, "Follow me"! We must listen to their voices when all is silent about us. What we then hear may often be but detached and apparently unrelated notes, but those who wait will find, at the close, a union of wonderful harmonies.

The first note which falls upon my listening ear sounds to me as a warning against false prophets who would lead us astray. The voice says: Guard yourselves against all things that are not of Nordic origin as being un-German and, therefore, objectionable. It would include, according to Paul de Lagarde, the church of Winfried, all dedications according to Roman ceremony, the Reformation, the Thirty Years' War, the Liberation Period; while others even include the inheritance of classical antiquity and the whole of Christianity. No—everything that is valuable in the non-Nordic infusions, should be retained and should be incorporated into a higher unity, else the German soul will become impoverished.

I cannot refrain from quoting here the words of one who may properly be regarded as a model of German patriotism, certainly one of world-wide education and spiritual greatness, Ernst Moritz Arndt, who in his *Völkergeschichte*²¹ permits himself to be heard as follows: "I have declared above how highly I esteem the fact that we Germans, and, in general, all Europeans, date our history and our monuments, not merely from the year 1, from Arminius and the Teutoburger Forest and from the simple, crude, forest customs of our ancestors; that Babylon, Persepolis, Athens and Rome—their books, their pictures, and their graves, have also become *our* monuments and *our* holy shrines, as it were, *our* ancestors."

We should, above all, take care that we do not regard the strong and wholesome traits, which we perceive in the picture of the German soul, un-German merely because they have appeared later than other traits with which they have often been in conflict. Thus if we should approve Prussianism merely as an "overcompensation" against the irrational—and, therefore, more real—German enthusiast. Or the reverse: if we should see the real Germany merely in Prussianism and regard the rest of Germany as "foreignized" or as "de-

²¹ p. 117.

Germanized." Those are errors by which we repeatedly do an injustice to the many good qualities in German nature. On the other hand, we must guard against stamping traits upon German nature which are really not suited to it, lest they disfigure it. We must rise to the position of admitting that, in fact, there are morbid, as well as healthy traits in the body and soul of Germanism. But little as we should wish to discard certain constituents, merely because they had a foreign origin or were added later, neither should we approve all that German peculiarity presents, just because it exists. We must decisively eradicate all that is morbid and common: our morbidly mystic as well as our morbidly romantic, our propensity to run into granite walls, as well as our inclination to universal brotherhood, our worship of everything foreign, as well as our disputatious spirit within our own borders.

Let us take care that in the process of "purification" we do not eliminate the good with the bad; for very often a good quality is present only because there is a corresponding bad quality. If we were educated to simplicity, it would disturb our profundity; if we should introduce hero worship, our objectivity would suffer; if we should eliminate all the disadvantages of a petty states system, we would exhaust many of the sources of our creative power.

Finally, let us wish nothing which is incompatible with the qualities of our body and soul. As in our country, in which "silver forms mount up from rocky walls out of the damp thicket of the primitive world," we will never be able to conjure up the *limpidezza* of the southern landscape, so we should not expect the German eagle to sing like the nightingale or to crow like the Gallic cock.

If I now attempt, after these many negations, to draw a picture of what German nature should positively represent, I can only do so at this point by restating on very general lines the mission which the German people is to fulfil in its place among the nations, while in the further course of the discussion we shall consider in detail the essential elements of the German mission, each in its appropriate place.

I will mention three great tasks to which our earthly existence is subjected and in which the three admittedly fundamental characteristics of the German soul are recognized and face us in commanding form with the highest imperative—*Be what you are*. The three great

tasks assigned to the German people are these: The German people should be:

a people of spirit,
a people of action,
a polymorphic people.

1. The Germans should be a people of spirit in a double sense: in contrast with everything that is unspiritual, material, earthly, and in contrast with everything that is sultry, obscure, subterranean.

We should live in the conviction that "everything transient is merely a simile," that also our life upon this earth has meaning only in relation to that which comes after this life, which is beyond the present spirit—in relation to God. Therefore, the highest virtue which adorns us is reverence, upon whose three-fold form, as we know, Goethe built his future state.

This "transcending" in thought and feeling, this belief in a transcendental world as an ideal for our earthly existence, the German has in common with all metaphysical peoples to whom he belongs.

It is given to the Germans to be a people of spirit in still another sense: so that their gods may shine celestially and not be subterranean and dark, that they may serve Logos and not Chthonius. In the struggle between the spirit and the soul, between Apollo and Dionysus, between father and mother, between the occident and orient—a struggle fought through centuries of our history, and the content of which was really significant, the German, whenever he manifested his inmost nature, always stood on the side of the spirit. The old German idea (Germanentum), whose "merciless realism" and whose "Apollonic intelligence, contrasted with the Dionysian world of feeling," which so high an authority as Carl Schuchhardt recently described, was, indeed, Apollonic. And from this—from the North-German—the cultural spirit was, in fact, carried into the world. Germanic peoples brought the Apollonic gods into the Greco-Roman world and helped them to rule over the Chthonic gods who ravaged in hidden recesses of primitive peoples and repeatedly threatened to invade the western world. The victories of Scipio Africanus over Hannibal and those of Augustus over Marcus Antonius established the rule of the Apollonic gods—Apollo, the father-god—*Ἀπόλλων πατρώος*—and prepared the soil for Christianity, which is also a religion of the spirit—*ἐν ἀρχῇ ἦν ὁ Λόγος*! Western Europe has since then been conquered for the God of Light and, among the west-European peoples,

the Germans are in the front rank in the battle against the depressive tendencies of darkness and the oppressive religiosity of the East (to which Russia also belongs). The empire of Light, the empire of the Spirit has been repeatedly threatened; the Dionysian cults have repeatedly attempted—as they are attempting at present—to extend their influence. To keep them far from us, as something foreign to our better nature, seems to be one of the most pressing tasks which the Germans of the future must achieve. We shall see why—by no means least in the formation of German Socialism—this contrast between the Apollonic and the Dionysian world is of decisive significance.

2. The Germans should be a people of action: our earthly life should be active, creative, diligent in business, “activistic.” “Doing, doing, that is what we are here for,” is the way Fichte closes his essay on the destiny of the educated. And Goethe as a true German has translated the Biblical injunction in the gospel of John as: “In the beginning was the act.” But what characterizes German nature in particular and distinguishes it from other activistic peoples is that we are metaphysical and yet active, that we do not aspire to rise aloft to God through contemplation and self-adulation, but through action. This, therefore, has also a transcendental meaning and appears as the fulfilment of a duty. The German sense of duty is nothing other than the union of belief and action and in this union it first finds its greatest justification as the supreme, guiding viewpoint, according to which our life is to be fashioned.

In another connection I have characterized as the heroic the conception according to which man regards the particular “task” and the fulfilment of “tasks” as the meaning of life. Here it is sufficient to show that this heroic quality is appropriately conferred upon the German. He may learn from the German language what he should do. In it and only in it does the word *Aufgabe* (task) connote this profound double meaning, inasmuch as it implies a spiritual attitude and, at the same time an external restraint.

3. We should be a polymorphic people. We should (and wish to) guard the diversity and multi-colored relations of our nature in body and soul. Herein lies one of our greatest tasks, a task of all western Europe—geographically and racially the most diversely articulated part of the earth. Here we must guard the variety of forms in contrast with the monotony of the East (including Russia) and of the West (America); here Germany, in the middle of western Europe, should

especially preserve and foster this diversity in contrast with countries such as France and England, which are inclined to unification. The consummation of this task must be executed in various forms: the many peculiar traits of our nature must assert themselves, in part alongside one another, in part within one another and in part against one another.

Alongside one another, as we foster the diversity of our country, the peculiarity of our races and the particularity of our individualities. No municipalization! No diminution, but a strengthening of our racial differences! No mental army of recruits, drilled to the "goose-step"!

Our peculiarities should unite within one another as they form a new unity, a synthesis. We should not, as I have already said, refuse all "foreign" influences but bring them into harmony with the heritage of the northern peoples. The only thing to oppose is the morbid and nerveless yielding to a foreign spirit, such, for example, as yielding to the antique in the middle-Goethe period. But the same Goethe in his later works showed us how the heritage of Greece could become a fruitful contribution to German nature. Helena "embraces Faust, her corporeal part vanishes, her garment and veil remain in his arms" and Phorkyas speaks to Faust:

"Hold fast what doth of all alone remain to thee,
The garment, loose it not."

Thus spoke Goethe, as he wrote the "romantic" second Faust, and thereby showed that "classicism" and the "romantic"—the most German of all German poetry—could be elevated to a higher unity.

Many of our peculiarities will always stand against one another. And it is well that they do so. For we are determined to remain as the people of contradictions and, therefore, as we have already seen, will never be finished, but always becoming, always searching, always foreboding and mysterious. Always swinging from discord to unity and back again; beyond the boundaries of the nation: dissolving into cosmopolitanism and again falling back into autumnal nationalism.

But "all productive life, all fashioning, all genuine producing depends upon such tension, upon a polarity, upon adversity."

We are called barbarians. Very well—we accept the reproach and will make of it a word of honor: we are barbarians, and are proud of it, and wish to remain barbarians. We are still young and prepared for everything new. We know that we can fulfil our mission only in the distant future.

CHAPTER XII

THE AIM AND WAY OF GERMAN SOCIALISM

I. General Principles

TO lead Germany out of the desert of the economic age, is the task which German Socialism has set for itself. In so far as it denies the entire spirit of this age, it is far more radical than any other movement, including any other socialistic movement of our time, for example, even proletarian Socialism. The latter has fundamentally, as we saw, accepted the values of the civilization in which we live and has merely demanded that the "blessings" of this age be shared by all men, even the lowest classes. It is a capitalism in an inverted form; German Socialism is anti-capitalism.

The work of deliverance of German Socialism does not extend to any single class or to any particular group of the population, but comprehends all in all their parts. Since peasants, wage-workers, land-owners and employers, merchants and manual laborers, officials and intellectuals, in short, all members of society were equally injured by the economic age, they all now must be delivered from these injuries. German Socialism is no proletarian, *petit bourgeois*, or other kind of part-Socialism, but a popular Socialism. And, as it comprehends the entire people, it also includes every branch of culture, not merely the field of economics: it is *totalistic*.

I said that German Socialism aimed to lead the German people out of the desert of the economic age. But the country into which it leads is not the "promised land, flowing with milk and honey," to say nothing of the paradise which is promised to the people by false prophets. We do not believe, and do not wish to believe, in all the promises made by proletarian and other forms of Socialism. There is no perfect happiness on earth for mankind, and there should be none: the wandering in this "vale of tears" is a testing and purifying period for man. We believe in no purification of man; we do not believe in the "natural goodness of man," the *bon sauvage* of the enlightenment period which through bad management was ruined; we believe rather, that man will persist in sin till the end of time. For that reason we do not believe in the self-redemption of man through So-

cialism, with its claims to bring about a "kingdom of God on earth," a "classless society."

The promise

"To erect heaven

Here now on earth . . ."

seems to us blasphemy. There is no salvation in this sinful world. Every attempt to give Socialism a religious stamp is a mistake; it is an attempt to find a substitute for religion, which only those employ who do not have the capacity for religion.

But we do believe that there are conditions of collective life that are more favorable for the fulfillment of man's mission on earth than those which have been set up by the economic age, which permit the better sides of human life to develop, conditions under which the individual will be able to develop his inclinations and capacities more uniformly and thereby contribute more to the good of his community and the service of God. If the protagonists of German Socialism have a vision of an ideal picture it is that of a great, creative period of the human race in which the spirit of unity shall bring the individuals into a more thoughtful whole, wherein each individual, in living the most complete life, thereby renders service to the community. In a word, German Socialists endeavor to bring about a condition—we call it culture—which is destined to change the present state of civilization, and they fully believe that this aim can be achieved. Nor are they led astray by any "theory," however dazzling, about the "Doom of the west." They do not believe in the inevitable "aging" of a people, but rather that with every new generation there is a new-born capacity to be bearers of culture, which is lost only through racial degeneracy—a danger which wise precaution can prevent.

They know, of course, that "culture" cannot be consciously created through action directed to a preconceived purpose, that culture comes by grace. But they wish to make the incursion of culture easier through a thoughtful structure of the social organization; they wish to dig the bed, so to speak, in which a new stream of culture may flow. They have come to this view, above all, through the conviction that our present system of values—our hierarchy of values—are fundamentally wrong. We know from preceding considerations that our own period is characterized by an overemphasis upon useful and pleasurable values: the economic age resulted, as we saw, in an overvaluation of material goods and thereby gave the primacy to econom-

ics. This domination must be broken. We must reconsider the true ranking order of values, we must see that higher values are placed above utility and pleasurable values. We must learn to appreciate the sacred values, the values of the spirit and life (the vital values), which we are obliged to realize before we cultivate the utility and agreeable values. That the new world-values should bear a German stamp is self-evident to those who have accepted German Socialism. For it has set, as its aim, the complete development of the German spirit; that is to say, we recognize, as our problem, the cultivation and unfolding of spirituality, heroism and multiformity.

That we may have the ability for all this, our national resources must be healthy, strong and capable of resistance. Only then can the nation have the assurance of maintaining its peculiar quality and offer effective opposition to the enemy. It must be "united in its racial branches," not merely on paper, but in reality. We shall see how a wise policy will endeavor to realize all this, but in any case it must keep in mind that these aims can be attained only if the bodies and souls of the individuals are sound. It will be easy to train the bodies efficiently; much more difficult to heal the souls.

The first requisite for all this is tranquillity. This baiting and chasing, this unrest, this dissipation, this running hither and yon, must cease: the people must again take time to collect themselves and to rebuild. In place of external mobility and inward torpidity, we must again have inward activity and external calm. The dynamic structure of being must yield to the static. We must convince ourselves that what we so readily accept as an emanation of a strong spirituality and a strong vitality—this senseless fidgeting—is merely a sign of inner weakness and emptiness. We have surrounded our inconstant life, which we have lived, with a halo of glory, in that we have seen in it the manifestation of a "Faustian urge." What an illusion! As the Faustian urge was misapplied to the production of fixed nitrogen, the manufacture of flying apparatus and the conquest of oil-wells, it was drawn away "from its original source." And when capitalistic enterprise came to be regarded as an "idea"—a real German error—and was accepted as "the most desirable calling," worthy of devotion, service and sacrifice, "heroism" became an object of derision. And when every individual is animated by the urge "to rise above his condition," to "be better than his parents and grandparents," when everyone regards an "ascent" and the change to a more profitable and easy calling, as "progress," then the foundations

upon which every thoughtful social structure must rest are thereby shattered.

We must free ourselves entirely from the fatal belief in progress, which, as we saw, ruled the ideal world of proletarian Socialism even more than the world of liberalism. Its frailty becomes self-evident in the new order of our scale of values.

The (naturalistic) idea of progress is always and only thought of at a time when the central point of values is misplaced from the sphere of the spiritual to that of the civilizing values within which one may speak of progress only in a somewhat suggestive manner, because here the question can only be one, by way of comparison, of more or greater progress. While it would be sheer nonsense to assert that in the fields of religion, politics, art, and philosophic productions the modern period, in comparison with some earlier period, had "progressed," it, of course, may be shown that in our special sciences, our technical knowledge, our wealth of goods, and in the democratization of our society, "progress" has been made. But the moment all these fine things are recognized as having only a peripheral significance, the general belief in progress falls by the wayside through logical reasons.

The notion of progress must also be cast aside, because its effect upon fallen mankind, led astray by it, is fatal, because it regards the present only as a step to a higher, better, more perfect future; the present is to "mediate," so we are told. It, therefore, depreciates the daily life and ascribes to an eternally new formation a value which it does not possess. To perpetually renew, hinders all culture. And we have today no culture, not the least, because we are "progressing" so rapidly. *Si vitanda est novitas, tenenda est antiquitas*. In case of doubt, the old is always more valuable than the new. Only when in the course of history the traditions of belief, of morals, of education, and of organization are dominant is it possible for a culture to unfold itself. For, in accordance with its very nature, culture is old, rooted, indigenous. For that reason no healthy, strong period has ever subscribed to the mania of progress: it has always rested firmly in itself and was thereby creative.

If the soul again becomes calm, it will also again become free. Free from the thousand constraints and bonds into which the past age has thrown it: free from the exaggerated intellectualism of the forms of our life and our industry, free from servility to material things, free from the weight of undigested knowledge, free from the torturing

sense of hatred, of envy, of distrust toward other people who are supposed to fare "better" than we do.

But if the soul is calm and free, then it will also again be able to be happy. It can only be happy if life is significant and formed according to nature. But life acquires a meaning only through its relation to a value which is higher than life itself : to country and to God. And life is formed according to nature only when, pulsating evenly, it moves on rhythmically, when labor and recreation stand in a proper relation to one another and, when in both, the healthy energies of body and soul can find free play and are not forced and stunted by an artificial capriciousness. A peasant and a manual laborer can both be happy in their work, a worker in a blast furnace or a seamstress in a modern shoe-factory cannot, a seaman on a sailing vessel can, a trimmer in a modern steamship cannot; one can be happy in a folk-dance, but not in a foxtrot or a shimmy.

II. The Social Order

We must now remember that German Socialism is really *Socialism*, that is to say, it is social normativism. Therefore, it seeks an order in which the attainment of predetermined ends are to be realized. It does not wish to leave solely to good will and reasonable intelligence or, in fact, to blind chance the formation of collective life and human culture. It sees, all too clearly, the disastrous consequences of the present disorder, as the outgrowth of the economic age. It does not believe in the lasting effect of a "renewal of the spirit." It is not satisfied—it should again be emphasized—with the setting up of socio-ethical principles nor is it exhausted through the awakening of sympathetic feelings or enthusiastic moods. An open spirit must precede—certainly—but it must at once become effective in an objective arrangement which also takes account of daily life with its disenchantments, which guarantees a support for the weak and enchains the wicked.

German Socialism conceives an order which, as we have seen, is a general, a "total" order of life which is not extended only to a single sphere—economics—but which includes all cultural spheres. It must, above all, be uniform, born from a single spirit, and extended from a single central point systematically over the entire social life. There is only one thing that is worse than disorder, and that is a planless order of individual fields from different points of view. Presented and determined in its form, according to the supreme guiding

principles of the German spirit, the order should be directed to lead our entire life to a unified base. A general, objective spirit should be embodied in this order, through which the activities of the life of every individual receive their meaning. This has been true of all organic, constructive periods.

The significance of such a Socialism should not be underestimated; nor should it be overestimated; rather, one should keep in mind that a social order does not create spirit or life, that it cannot create culture. That we must await with an open heart.

Socialism cannot open new fountains; it can only direct the waters which flow from the source whose feeding must be left to the disposal of God. But Socialism may seize the sources and protect them from pollution. It may prevent the waters from rushing wildly here and there and devastating meadows and fields, villages and cities. To him who sees his "romantic" joy in the wild-streaming flood prejudiced through such a control of the waters, it may be replied that a taming of wild nature is unavoidable and is of necessity bound up with our life on this earth, and that finally, floods and devastations are not things about which a person of fine sensibilities would have occasion to be enthusiastic.

Still another picture—the forest—may serve to bring to the understanding of the reader the meaning and significance of a social order. Human society will, of course, never be like an original forest in which the hand of man has never interfered. But the interference which we undertake certainly need not have as its aim the dreary "Prussian" forest, the "Toothpick" forest; it should and can fashion a genuine "German" forest, the mixed-forest which grows from its own nature and preserves its own soul. He who has observed the careful management of the forest, as the best German foresters take it in hand today, will be convinced that the wealth and beauty of the forest need not suffer thereby, that, in fact, it comes to its most complete unfolding when a loving and an experienced hand rules over it.

We now come to the question as to *what content* a social order must have to satisfy the idea of German Socialism. To answer this question thoroughly is the task set for the following chapter. Here I will merely recall the determining conceptions of German Socialism, mentioned above, according to which it is to be that system of organization which is "cut according to measure" for *German* conditions at the present time, that is, that all the peculiarities of the

German body and soul of which we have spoken may be properly adjusted.

Accordingly, the content of the future social order, as distinguished from the content of all other varieties of Socialism, may be fundamentally defined as follows: The valuable particularities of German society should not be put under any kind of constraint; they should not, for example, impose a definite form upon economics or upon organization, as a substitute for the rest of the existing forms. German Socialism knows that its deepest meaning lies in just this manifold structure of forms. We may express this attitude in a single sentence: German Socialism is not doctrinaire. Doctrinairism is a malignant disease which with the rise of liberalism attacked the spirit of European humanity (and also German humanity, which we could show is peculiarly receptive to this disease) and then came to its real development in the ideal world of proletarian Socialism. By this we mean it proceeds upon a fixed inclination, a "theory" or a "principle," or a demand to have its own will represented. Its attitude seems to be this: for free competition or its abolishment, for private ownership or collective ownership, for private economy or common economy, for increasing productivity or profit, for rationalization or some other "principle." And never once is the question asked—Where to? To what purpose? From this attitude, which regards the means as an end in itself, we must carefully guard ourselves. For us there is only one aim—Germany. For the sake of Germany's greatness, power and glory, we will gladly sacrifice every "theory" and every "principle," whether it bears a liberal or any other stamp.

Since German Socialism is not doctrinaire, neither is it monistic or levelling in its tendencies: so far as possible it would preserve, and even intensify, the diversity of the picture which represents present society.

If one were to characterize it with a single word, one might call it "histo-realistic." The peculiarities which it possesses protect it against all kinds of utopianism: all of its reform proposals are to be realized. But for that reason it must refuse to demand an "ideal" social order, that is, one which would do justice to every demand of a reasonable, thoughtful social order. One might prefer to blot out the last one hundred and fifty years of our history and begin again where we were in 1750. But that is simply impossible. We must renounce the idea of building a completely new structure for our society and be satisfied with reshaping and completing the existing structure.

III. The Means to the End

To attain our end we must clear the way—which in our opinion leads to it—of the dense underbrush of a metaphysics which the past generation of social theorists, especially of the Marxian persuasion, has planted and cultivated. The entire notion of social naturalism, which was proclaimed as scientific, but which, as I have shown, was nothing but bad metaphysics, with all its theories and theses,¹ must be put aside, if we wish to pursue a fruitful policy. We can achieve nothing with philosophical considerations of history, even if these should not lead us so far astray as social naturalism. A positive theory of history only can enlighten the way. Only that which experience and logical evidence can establish in the course of history, may properly be considered. We have already shown that an essential condition to a correct understanding of history is the certainty that our action will be perfectly free. And from this certainty a movement, such as the socialistic, must proceed.

The categories, which we have already established,² and by which we are to judge historical events, follow as a logical sequence. There follows, first of all, the understanding that all actions are concerned with the realization of purposes and that these purposes in all great political actions assume the form of ideals. It is a fatal self-deception, also often met with in many non-Marxian circles, to suppose one may succeed without a clearly defined ideal by confining one's self to an examination of the "state of affairs" or the "situation" from which the action to be undertaken will follow "of itself." This tendency in our thinking, which is now called "existentialism," may have its value as a metaphysical interpretation of our existence, but wherever it concerns practical decisions, it leads into the dark. "May Germany never believe that one may enter upon a new period without a new ideal."³

But, if we ask, *who* in our case is to complete the work, we must first free ourselves from the false doctrine with which the idea of Socialism seems almost inseparably connected: that is the theory of the (absolute) class struggle, according to which, through an international class, breaking through the bounds of the nation, Socialism is to be obtained by fighting with weapons of hate. This doctrine is born through a wild pairing of the spirit of proletarianism

¹ See pp. 86ff. and 103ff.

² See p. 101.

³ Paul de Lagarde.

with the naturalistic (materialistic, economic) conception of history. We regard both parents as belonging to an ignoble race and, therefore, cannot accept the child as legitimate.

Since German Socialism is national Socialism, awaiting its realization within the limits of the national union, the forces which are to bring it about are purely political forces; it is wholly a question for the statesman whose duty it is to direct and determine the play of ideas and interests and thereby make history.

* * * * *

In the preceding survey it was possible only to suggest in outline form that which I now propose to establish in detail in the two following parts. In them I shall deal with the political and economic life as the two fields in which Socialism is called upon to develop its active power.

The third great sphere of human existence, the spiritual life, I have left out of consideration for the present with a possible view to dealing with it in a later edition. It is, it is true, comprehended in the idea of Socialism, but lies at its periphery and largely beyond the sphere of its control. Moreover, the present moment does not appear to me opportune for establishing the paths in which the spiritual life of the future is to move.

PART V
THE STATE

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THE STATE

INTRODUCTION

IT is obviously established in God's plan of the world that the destiny of mankind is to be realized within the sphere of political associations.

The political association is that in which a majority of persons seeks to defend and vindicate its existence in its totality against another majority. It rests, as Carl Schmidt has aptly expressed it, upon the friend-enemy relationship. It represents the pro-con principle in society, just as the family realizes the pro-with principle. As the family is adjusted from within, the political association is adjusted from without. If the political association owes its existence to a majority of elements which disjoin mankind, the family owes its existence to a majority of the groups. Without "the others" there could be no political association.

The tasks in which the ideas of the political association are manifested are as follows :

1. The external maintenance of the association in its unity and composition for the struggle against other political associations ;

2. the development of those inclinations, capacities and virtues which constitute the public, and, in this sense, the political person : common spirit, heroism, patriotism ;

3. the perfection and cultivation of peculiar values for the association in respect of body, soul and spirit. The idea of the political association presupposes, as a historically constructed principle, the value of group-wise separation of values and their realization. The higher spiritual values, in particular, are only brought out in particular groups, that is, in the political associations, which then become the bearers of all cultural development.

In them humanity is unfolded according to its differences, but in them the individuals are also drawn together in harmonious structures. So that both humanity and the individual nature realize their consummation in these intermediate forms which then in their

development and in their struggle against one another become the real makers of what we call history.

We designate the general, comprehensive political association by a new word—"state." But the thing is very old; the state, as we are to understand it here, is as old as mankind. All theories which give the state an "origin" and which assume a pre-state condition are false.

In my manner of speaking,¹ the state is an ideal (having ideas) association (together with family and religious association), by which I mean to say that the meaning of the state lies in the realm of the transcendental, that its purport cannot be significantly explained from an empirical, that is, "rational" standpoint or from the viewpoint of an interest. That an individualistic-rational explanation of the state is excluded, the following considerations will show:

1. The "origin" of ideal associations is irrational. First, in general, because they do not originate, as real associations do, but are always already in existence. Even if we regard the Puritan emigrants in America as founding a "new" state, they did it as members of an existing association—England. But even then, if one would here speak of the "origin" of a state, it would still not be in the sense of a rationally established association, resulting from the free decision of persons of age, since the newly established state, according to its very nature, always includes individuals who were not asked, but forced to become members: children, insane, the dead.

2. The range of problems, the peculiar kind of achievements of our association, transcend every conceivable sphere of individual interest and, therefore, do not admit of being established in its entirety by any particular interest. First of all, it is not a question of circumscribed tasks, which would be the case in every rational association, but one of endless relations. The aims lie beyond individual interests: what concern to the individual is the preservation of the species or the continuance and growth of the nation, if it implies nothing but a continuous struggle? Why should one participate in the creation of works whose completion he himself will not live to see? Why should one, as an individual, trouble one's self about the welfare of others and not only about the welfare of one's kind, whose interests one may have occasion to promote from some utilitarian consideration, but also concern one's self with the welfare of the dead, the minors, the unborn?

¹I have developed my theory of association in an article *Grundformen des menschlichen Zusammenlebens* in *Handwörterbuch der Sociologie*, 1931.

3. The position of the members of a political association in relation to the organization is fundamentally different from any other relation anywhere: in all other cases the position of a member constitutes a claim; in the ideal association, it is a sacrifice, and, in fact, a sacrifice unto death. But the sacrifice necessarily presupposes a super-individual something—call it an idea—for which man sacrifices himself. It is senseless to have one individual sacrifice himself for another: the mother for the child, the warrior for the civilian. The idea may be abstract: liberty, faith, science. (Here too, it must be anchored in the transcendental, that is, it must be a real idea, so that the sacrifice may not appear frivolous.) Or it may be a concrete idea, as it is represented in an association. Then, by that very fact, this association is characterized as having ideas, that is, its meaning points beyond this world.

I do not hesitate to call this conception of the state a genuine, German conception, and I regard the opinion, now so frequently held, that the idea of the state as represented here is foreign to German nature, as false. It certainly was first very clearly proclaimed by Germans in conscious contrast with the individualistic-rational conception of the state which came from the West.

I am thinking of the time at the end of the eighteenth century, when Herr von Schlözer, in his *Allgemeinen Staatsrecht*, could write: "The state is a device, men made it for their welfare, as they devised, among other things, fire-insurance." At that time there arose, among the romantics, the first opponents of this subaltern state-conception, who, for the first time, with strong emphasis, opposed it with another conception, namely, the German.

Thus Adam Müller permits himself to be heard as follows: "The state is not merely a manufactory, a homestead, an assurance association or a mercantile society; it is the intimate union of all the physical and spiritual needs, all the physical and spiritual wealth, all the inward and outward life of a nation to a great, energetic, infinitely mobile and animated whole."

The thoughtful statesman, Baron vom Stein, accepts this conception in almost the same words when he writes in his *Memoir of November 25, 1822*: The state is "no agricultural or factory association, but its purpose is religio-moral, spiritual and corporative development; through its organization it should form not only an artistic and industrious, but also an energetic, courageous, moral and spiritual people."

To permit still another romanticist to speak in this connection, I will quote Novalis to show with what depth and clarity he expressed the German idea of the state in poetic glorification, denying all that the apostles of happiness, on the other hand, had philosophized into the state in their attempt to make it an insurance company: "All culture springs from the relations of men to the state. . . . Man has attempted to make the state a cushion for indolence, whereas the state should be just the opposite. It is an armature of all activities; its purpose is to make man absolutely strong and not absolutely weak, to make him not the laziest but the most active being. The state does not relieve man of trouble, but rather increases his troubles infinitely; of course, not without also infinitely increasing his strength."

This is the conception of state which Fichte, Wilhelm von Humboldt, Schleiermacher and Hegel, each incorporated in a special philosophic system and which then, gradually, under the influence of liberalistic development, grew pale. Prussian "Conservatives" and German Socialists only, remained loyal to it. I call to mind in this connection men such as Lorenz von Stein, Rodbertus, and by no means least, Ferdinand Lassalle, who in the time of the bleakest Manchester period, under the spell of his teacher, Fichte, represented the idea of the state in eloquent words, when he explained: "The state is this unity of individuals in a moral whole, a unity which increases a millionfold the power of all individuals who are included within this union. . . . The purpose of the state is, therefore, to bring the human being to a positive development and a progressive development; in other words, to bring human determination, that is, the culture of which the human race is capable, into actual being."

"However wide a gulf separates you and me from one another, my lords!"—thus he apostrophized his judges at the conclusion of his famous defense before the Supreme Court—"opposed to this dissolution of everything moral, we stand hand in hand! The ancient vestal fire of all civilization, the State, I will defend with you against those modern barbarians" (of the Manchester school).

To be sure, all this is true only if we regard the state not as an "organization," an "apparatus" or anything else that is formal, which is all too often the case (this perversion of the facts was precisely the trick by the aid of which liberalistic thought wished to devalue the inconvenient idea of the state), but see what it really is—a union of living persons. What it really and truly is, then, will be clear when we realize that there are three views (aspects), that is,

that it appears to us, on closer examination, in a three-fold form, namely:

1. as a unity—nation—polis,
2. as an entirety—commonwealth—politeia,
3. as a multiplicity—association—koinonia.

This three-fold substantiality corresponds to a three-fold collectivity of the state:

- to (1) population;
- to (2) society;
- to (3) the personal orbit.

The German Reich is such a political grand-union or state at the present time. And this German Reich, and this only, is also the field of German Socialism. The idea of Socialism, as I have already said, is most closely connected with the idea of the state. And it would imply a complete departure from this idea to remove its activities to the interstate or superstate field. Since Socialism is a social order, it must confine its activities within the area of the state, that is, within the orbit in which the order is consistently placed. The concepts of Socialism and the state, therefore, necessarily belong together: Socialism is possible only within the boundaries of the state, but a unified, properly organized, strong state is also possible only on the basis of Socialism.

I shall now attempt in what follows to sketch in outline a picture of the German Reich in its three aspects, mentioned above, which would correspond to the idea of German Socialism.

CHAPTER XIII

THE NATION

I. Its Concept and Nature (Nation and People)

IT would be useless to attempt to form a conception of the term *Nation* through a study of the etymological significance of the word. For it is derived from *nasci*, and the nation is not concerned with the origin of the word. Nor are we likely to succeed through a study of its use in the language, for that is fluctuating. We must content ourselves with selecting, from the numerous applications of the word nation, those examples in which the word has the most significant meaning. And upon that basis we may define the word nation to mean *the political association in its endeavor to attain an end*. The concept is thus determined objectively: it does not connote any consciously conceived content: there is no implied attachment whatsoever to any kind of "we," such as "we the people." The nation exists, not because it lives in the consciousness of the individuals, but it exists as an idea in the realm of the spirit; it is "spiritual individuality." Individuals do not set the aim; it is set by the Creator of the world; it exists once for all, "it stands under a special law of providence." Men have to realize the idea. We shall see what men. It may be a single individual in the political association. That is to say, the unity of the nation is formed through the uniform idea which the association serves, through the definite mission which it has to fulfil, through the same purpose for which it strives. The nation is represented symbolically in the national flag—it is always a mark of imperfection to have more than one national flag (as Germany had after 1918)—and in the national hymn (a "Folk-hymn" is inconceivable).

We must keep in mind that the concept of a nation is as old as the state, for it is only an apparent form of the state, and that without the state it could not exist. The distinction between a national state and a national culture is, therefore, misleading. Every nation is a national state. A cultural nation is likewise a misconception. Here one confounds nation with people.¹

But we must accustom ourselves to apply the concept of nation to all kinds of states that have ever appeared in history. The great

¹ See pp. 171ff. below.

empires of the classical age, as well as the Mongolian empire and united China, were nations. But so were Athens and Sparta, the Roman peasant-polity and Carthage and the *Imperium Romanum*, as were also Florence and Venice, Lübeck and Prussia.

It is a mistake to historicize and thereby relativize the concept and to confine national origins to the last centuries only. During this period only a single new, special, national form developed, which bore a definite mark. If we were to characterize the modern nation, how it arose as the creation of the Enlightenment and the anti-Enlightenment (the "romantic"), we would perforce ascribe to it the following:

(1) In this period the greatest political association (the state)—under the dominance of economics—again obtained primacy over all other associations. In the middle ages the binding power of the associations subordinate to the state—the estate of the nobles, for example—was often stronger than the political union, so that they united themselves above the authority of the state and formed unified associations; and in the middle ages the religious unions also at times asserted their power over the state; and even in the pious seventeenth century, attachment to this or that particular authority often decided the fate of the individual, as witness the Huguenot wars in France and the Thirty Years' War in Germany!

(2) More recently there has been a tendency to have the political association coterminous with the limits of the language, and even "to have a (particular) people coextensive with the boundaries of the state."

(3) Democratization of the national concept began with the French Revolution. This was especially true of the internal development of the state, where the justification necessary to the plebiscite was regarded as determined by the sovereign national will: "The national idea gives to the unitary function of the state an actual basis and makes the democratic identification of rule and social whole a reality."² This also holds true of the relation of nations among one another, where the democratic principle likewise applies.

For all these reasons the modern idea of nation has always been conceived as revolutionary. "The revolution," writes F. J. Stahlm in 1852, "contrary to international law, demands a new distribution of nationalities, so that all Germans form a state for themselves, all Poles for themselves and all Italians for themselves, etc., and all

² H. O. Ziegler.

treaties and rights of sovereignty, contrary to this, should be set aside."

Whether one employs the term nation with reference to its general or its historical content is, in the last analysis, a question of the use of words. If I use the term in the first sense, it is because we must give a name to the general concept and have no better word for it, however unsatisfactory—in view of the feminine gender and the foreign origin of the word nation—it may be.

All citizens of the state are bearers of the national idea, that is to say, all the members of the nation collectively, in Germany all "natives of the Reich" (in 1925, 61.4 million out of a total of 62.4 million resident population). We may designate the members of the nation, briefly, as the population. Collectively they form an inarticulated sum of empirical individuals in their natural stature, undisguised, including men, women, children, old persons, strong and weak, talented and untalented, healthy and sick.

Common language is no more a distinguishing mark of a nation than is common origin or the same "blood." For a polity Aristotle³ expressly counts all "without which the state cannot exist," that is, also the metics, wage-earners (also the slaves?), and he distinguishes sharply from all these, "those who are parts of the state."

The west-European nations are a variegated mixture of different languages and different races: the result of the earlier so-called "national migrations," and recently, in the course of capitalistic development, the "migrations of the masses." It is well known that men, wherever they may have come from, were always attracted to a country through economic interests, especially if they possessed industrial and commercial capacities. The migrations of the French Huguenots belong to this category. Schmoller reports for Prussia: "From Italy, Piedmont, from the Netherlands, from France, England, Denmark, Russia, Switzerland and Austria, Prussia drew its colonists." There was a time in which of the 13,000 to 15,000 population of Berlin, 5,000 were French.⁴

³ Politics IV, 9. (The reference in Sombart is to the old arrangement of the *Politica*; under the new arrangement see VII. 8. 6 (1329a, last paragraph). "We have shown what are the necessary conditions, and what are the parts of a state: husbandmen, craftsmen, and laborers of all kinds are necessary to the existence of states, but the parts of a state are the warriors and councillors."—Jowett translation.—Editor.)

⁴ Th. Fontane.

With the change in state boundaries came a change in the citizenship of the nation. Men went from one nation to another. Today the German Alsatians belong to the French nation, as do the African Negroes. The Wends, Lithuanians, Poles and Danes, who live in Germany, still belong to the German Reich, in so far as they are not foreigners. All these people, "without which the state cannot exist," form the nation, are bearers of the national idea, quite regardless as to whether they are "with it" with head or with heart. We have already seen that "nation" presupposes no "we-consciousness" or any other kind of communal feeling in regard to its members. When Themistocles coerced his cowardly co-Athenians, against their will, through all kinds of artifices, into the battle at Salamis, the idea of Athens was, perhaps, never so active and effective as on that day. And Prussia, as a nation, was certainly never greater than at the time when Frederick the Great, with perhaps a few of his generals and higher state officials who represented his idea, carried on his wars against an overwhelming majority of the population. But also for that reason all pacifists and internationalists and Communists and objectors to war today belong to one nation.

Very often the term nation is used in the same sense as the word people. But that is not expedient. For obviously there are many groups composing a nation, which, though in many respects related, we must designate differently but which we conveniently call people.

The word people has, indeed, many meanings which we—partly in connection with the use of language, which is here very definite—may arrange in the following manner:

(1) The term people (*Volk*) is used to indicate the same group—or members of the same group—which forms a state or a nation. In this connection we also speak of the *people as a state* when the term is given such applications as: the Swiss people (*Schweizer Volk*), international law (*Völkerrecht*), census (*Volkszählung*), popular vote (*Volksabstimmung*), plebiscite (*Volksbeschluss*), arming of the whole nation (*Volksbewaffnung*), national army (*Volksheer*), public war (*Volkskrieg*), popular sovereignty (*Volkssouveränität*), political economy (*Volkswirtschaft*), national welfare (*Volkswohlstand*), popular government (*Volksregierung*), national commissioners (*Volksbeauftragte*), League of Nations (*Völkerbund*).

(2) The word people also indicates a group subordinate to the *people as a state*, when reference is made to a constituent part of the nation, as:

(a) a determinate constitutional part: people in contrast with rulers or authorities: a call "to my people," popular demand, popular assembly;

(b) a determinate social part: people in contrast with the "upper" classes, the rich: public theater, public baths, public library, public kitchens, public celebration, popular government, public schools, public tribunal;

(c) a determinate cultural part: people in the sense of primitive, obscure, chthonic, native, unspoiled, natural, uneducated: popular rights, popular songs, popular enlightenment, popular expression, national life, national costumes.

(3) The word people may mean a *group along with the nation*, but different from it, even though under certain conditions contained within it; and this again, in several senses:

(a) a purely quantitatively determined statistical group: if the state is defined as "a people under a condition of political unity," the word "people," as thus used, means nothing more than a multitude of persons, without regard to any other characteristic than their number, who form no independent union, but merely make up the state;

(b) a qualitatively determined statistical group: a multitude of people who have special characteristics in common, such as origin, language, tradition, cultural values: the cultured people in contrast with the people as a state: the Greeks in ancient times, the Germans anywhere on earth, etc. It is to be observed that people in this sense, in which it also (generally, with the exception of the Jews) forms a community of language, is always merely a statistical group, not a union, that is, not held together through any kind of spiritual bond. A people in this sense forms

(c) an independent and, indeed, an international union, if and in so far as persons having this common characteristic become conscious of it and unite themselves to cultivate this value: the Poles, after the division of their country and before the erection of the new state, the Czechs, Roumanians, Serbs and others in the old Austrian Empire; the Ukrainians, the Armenians, the Kurds, and other peoples of today. All "Irredentists"!

We must give a little more special consideration to the national concept indicated under 3b, because there has recently been much said about "people" in the sense there indicated. In that connection the group has been designated as an "independent people," and the sub-

ject has been made the occasion for a new science. There is one language, the Greek, in which this conception is designated by an unambiguous word, where it is called *ἔθνος* (ethnos). Yes, where, as in all (?) other languages, our "X" must share its name with other concepts, the rich language of the Greeks places at our disposal, in fact, two names for one and the same thing: in addition to ethnos, *γένος* (that is, race): τὸ τῶν Ἑλλήνων γένος (the racial group of the Hellenes), Aristotle calls "the Greek people."

If we wish to determine what "people" in this sense (in which I shall use the word in the following pages) is to mean, we must, first of all, be agreed as to what kind of a conception we wish to form: whether a metaphysical, a natural science or a spiritual science conception. In the metaphysical sense people is an apparent form of a metaphysical substance which manifests itself in different peoples or in the spirit of different peoples. That was the conception of the word held by our romantics, among whom Schelling's idea was especially alluring. Schelling derived the idea of a people from the myth: the basic existence and unity of a people are based on a myth which arises on the strength of a theogonic process. That is all well and good, but, unfortunately it does not come into consideration in a scientific discussion: one may put the idea into music, but one cannot discuss it.

The concept usually obtained by the word people is based on natural science, that is, the term conveys the idea of a "species" or some other subdivision of the "genus" man in the zoological sense. Indeed, this attempt to base it on natural science often rises to the point of defining a people as an "organism." This conception is brilliantly represented by Wilhelm Stapel in his various writings. A people, as a whole, he thinks is an actual, living being; the individual persons are merely individual expressions of this mysterious whole existence. That is to say, a people is not merely a sum of individuals, but an organism, a "naturally grown unity, as a tree, a coral reef, a swarm of bees"; "the individual is only a logically constructed aid; the connection of life is the reality." I will not enter into a dispute with the representatives of this conception, as to whether they have thereby formed an irreproachable natural science concept. I have grave doubts as to whether a natural scientist would call a coral reef or a swarm of bees or—to use even a better comparison—a "nation" of partridges, or the Indian elephants as a whole, an "organism," and whether a hunter regards the buck which he aims at in a herd, as "a logically constructed aid,"

and the herd as "the reality" (or are we again on a metaphysical foundation?). What I object to in all these definitions is, that from an apparent culture, which an existing people made up of human beings, doubtless has, they falsely construct a natural science concept.

In the spiritual science sense, which is the only one we can consider, *ethnos*, as we have defined it above, is nothing else than an unconnected, statistical group of persons, which is distinguished by definite characteristics and different from other groups. These characteristics are:

(1) Like origin which must lead—not too early and not too late—to common ancestors;

(2) The same historical destiny for a suitable period of time;

(3) The same spiritual culture.

The same residential area is not necessary to a national concept (Germans in Germany and Brazil), nor the same language (Jews, Germans in Germany and in the United States).

That is, a people, in contrast with a nation, is always determined through the where from?—the *terminus a quo*; the latter through the where to?—the *terminus ad quem*. A people is earthly, chthonic, maternal—*matria*; the nation, spirited, Apollonic, patriarchal—*patria*. Germanism (*Deutschtum*) is pure spirit; German nationality, earth-bound spirit. The people is blind; the nation, seeing. "The people as people, in contrast with the people as state (that is, the nation—W.S.), is without voice and arms"⁵; and we may add, also without will. The people is only a thought of unity; the nation, through unification under the national idea, is a real unity.

It is not always easy to know *who* constitutes a people, or, what amounts to the same thing, what *a* people is. To order away from the threshold is the conception according to which belonging to a people is to depend upon the decision of the individual (the so-called subjective basis of belonging to a people). It is absolute nonsense to assume that one may, at one's pleasure, withdraw from, or be admitted to membership of a people. (Which, on the contrary, as we have seen, is possible in the case of a nation.) Is there such a thing as "enpeopling" (*Einvolkung*),⁶ as, for, example, "Germanizing" (*Eindeutschung*), in a historically measurable period of time? No doubt in earlier times foreigners became Germans. But is, for example,

⁵ Böhm.

⁶ There is no exact equivalent for *Einvolkung*; perhaps the nearest approach is "amalgamation."—Editor.

Adalbert Chamisso or Theodor Fontane German or French? Is Houston Stewart Chamberlain a German or an Englishman? I would answer the question to the effect, that amalgamation is also possible at the present time, but that each case must be decided on the basis of the facts in evidence. The general principles governing the decision may be stated as follows: the difficulty of amalgamation becomes less as:

- (1) the time of residence among a people increases,
- (2) the racial mixture becomes greater,
- (3) the blood-relationship is increased (an "Aryan," for example, will amalgamate more readily than a Jew, a Jew more readily than will a Negro—with a west-European people),
- (4) the common destiny is forced into closer relations: war!
- (5) the individual more nearly approaches the nature of the people accepted,
- (6) the determination on the part of the foreigner to belong to a new people becomes stronger (here one must concede to the subjective basis its limited scope).

Externally nation and people stand, at times, in a very different relation to one another. Indeed, hitherto there has been no historical evidence that they have ever completely coincided, by reason of the fact that a people either transacts business with different nations or that one nation includes a number of peoples. Both conditions may, of course, exist at the same time. "The Greek people" disintegrated into many nations and were thereby, in the opinion of Aristotle,⁷ prevented from gaining the rule over all other peoples. The same destiny was shared in large measure by the Germans and Italians during the middle ages. This dispersion of the people into many nations has obviously served, in the world-plan, to bring about a more complete development of the various qualities of the people. Athens against Sparta! Florence against Venice! Prussia against South Germany!

On the other hand, there may be many peoples united in the same nation. This is true of all modern nations. Many of this type virtually constitute leagues of nations, as the former Austria-Hungary, Soviet Russia, Switzerland, Czechoslovakia, the United States of America. In other types one nationality predominates while the less numerous peoples form "minorities" who more or less consciously adhere to

⁷ Politics IV, 6.

their nationality. The German nation, that is, the German Reich, is an example of this type.

The incongruity between nation and people accounts for much of the tension in the life of peoples today. Obviously the only solution lies in a thoroughgoing redistribution of the population or in new national (Reich?) forms.

II. The Problem of Population

I. GENERAL

It is never safe to assume that a nation can be made externally strong and internally productive—and thereby become an ornament in the garden of the Lord—through any policy, consciously directed, however purposeful. It depends upon whether the nation is granted the highly gifted statesman, the gifted warrior, the gifted artist or the gifted champion of God; and that is not within the power of man; it is a question of grace. The only thing which statesmen can do, by way of conscious control of policy, is to create conditions which will arouse the nation to a readiness to achieve the national tasks. But these conditions lie, in the last analysis, wholly in the individuals who, as we have seen, form the body of the nation (aside from the natural environment of the country in which the nation must live).

This individualistic conception, that the individuals are the only source from which the power and wealth of the nation flows, was supposed to represent the highest wisdom in statecraft during the last few centuries, as was shown in the masslike formation of the population and in the population-policies of the states. In the liberalistic epoch of the past it was all too often displaced through other, abstract considerations, according to which certain principles, organizations and theories were finally accepted as the basis for the formation of states, while the vigorous person was replaced by the "equal," abstract individual. One must go back to the "Politics" of Aristotle in order to get a correct view of a theory of state. In book IV (VII) he develops in detail the principles according to which the population is to be organized, in respect of both number and kind, to meet the demands of a polity.

Meantime, in the period of the last generation, the importance of the nature of the body and soul of the population to the cultural existence of mankind has again been brought forward from an entirely different viewpoint, namely, that of blood or race, and as a

result of biological, anthropological and racial research. To incorporate the results of this research with the theory of state is one of the most important problems which the future has to solve. What we must again learn is this: that the spirit of the demiurge is, indeed, of the world of man, but that it always appears to be bound to the nature of individual persons according to their number and kind; that, in a word, we must regard it as racial. In contrast with the spiritual rationalism of the past epoch, we assert with all emphasis that the material idea cannot be eliminated from our treasury of ideas, at least not in a theory of state. But the practical statesman in whom the recognition of the material idea has again been revived, must face the question whether, and, in given cases, how, he can make use of the knowledge of modern science.

The important demand which the above considerations lead to, is a sensible policy concerning population—a policy which also forms one of the leading tenets of German Socialism. If one would designate the acceptance of the racial origin of the spirit as “popular” (*völkisch*), I have but one objection to interpose, namely, that the word popular—in view of the seven different conceptions of the word “people,” given above—is altogether too indefinite. But if by a “popular” method of consideration—a demand here advocated—we mean a constant reference of all policies back to the natural conditions of national existence, then German Socialism is popular.

A policy concerning population comprises two component parts: those measures which are concerned with the mass or number, and those which are concerned with the quality or nature of the people in a state—the so-called quantitative and the so-called qualitative policies of population, expressions as awkward as they are difficult to pronounce. The following discussion will deal with these two parts.

2. THE QUANTITATIVE POLICY OF POPULATION

This policy has, as its purpose, the determination and care of the proper number of persons within a state. The first question which arises in this connection is: shall there be many or few persons living within a state of a given compass.⁸ The answer thus far given to this question has depended upon the period of time under consideration and the viewpoint of the judgment rendered. In the period of early capitalism the idea arose in Europe, that the population of a country

⁸ The other question—shall the state be large or small—does not belong here, and will be eliminated. We shall proceed on the assumption of a state of a definite size.

could never be large enough. The capitalistic employer needed labor power, the prince needed soldiers; so the demand for populating countries became general and was all the more insisted upon, as the fear of depopulation controlled mankind: Montesquieu foresaw the early extinction of the human race.

When, then, in the nineteenth century western Europe was accordingly overrun with people, one might have expected that there would be a reversal in the valuation of a numerous population. But that opinion did not prevail, at least not in general. However, under the influence of the growing value placed on "bigness," perhaps also with the thought of the Jewish command, "Be fruitful and multiply," the greatest possible population was afterward, as before, regarded simply as an asset, which, however, in the face of the growing population, no longer required special efforts directed toward increasing the population. Not until recently, as the decline of the birth rate set in, in most west-European countries, including Germany, was there again a positive demand for increasing the population.

There are today, opposed to the advocates of such a policy, adherents of a depopulation policy.

Who is right?

In reply to those who believe in an increase of population, it may be said, that merely a large number of people in a country, in and of itself, does not represent a value, but that the difficulties of maintaining life become greater through the increase of population in a given space (from a certain point on), that the cultural level will sink rapidly and become more extensive, as the numbers increase. We saw in Chapter III what devastation the masses wrought in all cultural fields during the economic age.

To those who favor reducing the population, it may be said that depopulation, yes, even a stationary condition, may be a danger to the country, if neighboring states do not follow the same course. Even if on cultural grounds all arguments speak against a further increase, such an increase may still be desirable for a nation, for reasons of self-maintenance. In which case it would still be regarded as an evil, as it was before, but a necessary evil. That is to say, the decision to populate or depopulate must lie with the general staff: it must decide how many persons, under given conditions of defense and war-technique are necessary to protect the country against enemy attacks.

To me such considerations, however, seem somewhat useless, for the simple reason that there are no political means to prevent the decline in population. If there is nothing in the population itself, which from its own impulse produces a will to increase, we are faced with a fact which cannot be changed. But in view of a threatening constant, or a possible decline in population, our task will be all the more urgent to replace an excessive number of persons through their good qualities. That is, the repudiation of a positive, quantitative policy of population should spur us on to a more active, well-conducted qualitative policy.

3. QUALITATIVE POLICY OF POPULATION : THE RACE PROBLEM

(a) The concept of race classification

The principles of the qualitative policy of population are today largely determined on the basis of the so-called *theory of races*. We must, therefore, form a picture of these theories and attempt to form our own judgment concerning them.

There are many racial theories, among other reasons, because the word race is used to designate many very different kinds of facts. The earliest racial concept, which even today enjoys an extensive vogue, is the classification concept. It serves to distinguish, within the genus man, the species and subspecies which are always collective, groups of persons. This concept is formed either according to the connections of a group with a definite line of ancestors (racial origin)—the racial concept, for example, of Count Gobineau—or, according to definite constitutive characteristics (racial characteristics).

At what point of time the unity (which is already formed from a mixture of different original races) of racial characteristics is placed, is left to the judgment of the researcher. If one places it at a point within a surveyable period of history, where the mixtures may be distinctly perceived, one speaks of secondary races, which often coincide with the historical peoples or their origins. What characteristics are to be regarded as decisive, is likewise committed to the decision of the researcher. For a long time the color of the skin was regarded as the decisive factor and this distinction resulted (since Blumenbach) in the well-known four (or five) human races. For two decades the skull-index came to be regarded as the most important mark for distinguishing and at the same time evaluating the different races: a long cranium, noble; a round cranium, ignoble (La Pougé,

Ammon, Chamberlain). (Anatomical racial characteristics.) Today the distinction is based on "the characteristics which are obvious" (Martin, Eugen Fischer, Günther), that is, on the physiognomy which is apparent (physiognomic racial distinctions). From this point of view, the population of the German empire could have been classed at a very much earlier period into five different, chief races and a larger number of smaller racial groups.

The question which now concerns us, as sociologists and political scientists, is, what these classifications mean by way of building up human society and, in particular, the German nation, and what points of support do they offer in behalf of a state policy regarding our population.

The first essential in approaching this problem is to show that these groups of persons, called races, are determined by purely somatic (bodily) characteristics. But, since the cultural process is essentially an affair of the soul and the spirit, the classifications are without significance unless it can be shown that there is some kind of correspondence between the spiritual and bodily qualities. What are the facts about this correspondence? In answering this question we must clearly recognize at the outset, that this correspondence is fundamentally, and, therefore, will always remain shut out from our understanding, since it involves two different spheres of existence—the natural and the spiritual—to both of whose spheres the two sets of peculiarities belong, and whose connections among one another and "with one another" will consequently remain an eternal mystery.⁹ Just as nature is withdrawn from our understanding and is "foreign to our thoughts," so too, is its connection with the spiritual world foreign to us. In other words, if one were to assert that there is *of necessity* a correspondence between these two spheres, such a position could only be maintained on the basis of faith, as expressed by the *credo quia absurdum est*; which is not to be translated "I believe, because it is nonsense," but "I believe, because it is foreign to my thought," that is, I do not "understand it." This line of faith is frequently followed: thus, for example, when one lends the dignity of necessity to the couplet:

"The blue of eyes
Fidelity implies."

⁹ This view, moreover, is accepted by thoughtful race researchers. See, for example, *Rassenkunde des D. Volkes*, p. 413.

Science, which has to do with generally valid and, therefore, "provable" knowledge, cannot pursue this course. It may be questioned whether there is a way to prove a correspondence of the kind mentioned. There is one possible way, namely, that which we pursue when considering all natural phenomena: through the ascertainment of regularities. A given investigation, which, let us assume, would require primarily the use of statistics, could conceivably show, that certain determinate groups, somatically uniform, exhibit certain spiritual (*seelisch-geistige*) peculiarities. On the basis of such a comprehensive, empirical investigation, it would be necessary to establish the number of instances, showing a definite spiritual stamp, which are found in a group regarded as a unified race, and determine the spiritual peculiarity of the group as a whole, according to the numerical relation of the definitely formed individuals to one another. One might then, indeed, draw the conclusion that there had been established thereby certain correspondences which are constitutional.

The result of such an investigation would, of course, show that like somatic peculiarities correspond with different spiritual peculiarities, except that certain spiritual forms in any one race would more or less preponderate. If we then determine the race according to the preponderating peculiarity, we should not forget that other peculiarities have also appeared. But should the result be, that within a race only one kind of spiritual form exists, which is quite improbable, it would by no means prove that other forms could not appear in this same group. In other words, we can never prove with the aid of science the exclusion of a definite relation between the body and the spiritual soul, any more than we can positively assert that it exists. Neither is it scientifically provable that only one spirit can dwell in a certain race, nor that a definite spirit may strike root in but one race. The German spirit in a Negro is quite as much within the realm of possibility as the Negro spirit within a German. The only thing that can be shown is, that men with a German spirit are far more numerous among the German people than among the Negro people, and the reverse.

In literature my "racial theory," which I advocated twenty years ago in my book on the Jews, has been designated as a "differential racial theory." The name does not matter. The important thing is that it is true.

Now if we ask what significance this theory has in practical politics, it must be said that a strict application of it must lead to a

differential racial policy. That is, the state must endeavor to select individuals, in accordance with their nature, from the different races and with them build up its population. This is, it is true, an unsolvable problem and for that reason every state has, under the pressure of necessity, a crude racial policy, so that entire races are either approved or rejected. The practice at present in meeting the problem has been largely confined to policies which favor or restrict immigration. As long as a country is in the process of building up its population, the immigration policies of states play an important rôle, as is shown in the case of Australia or the United States. For a country, such as Germany, this kind of a racial policy scarcely deserves serious consideration. We can at most close our eastern boundary. But we should not again allow such opportunities to invigorate our nation to pass by as were offered two years ago when the best peasant folk, who were compelled to flee from Russia, asked for admission into the German Reich. Such opportunities as these, however, are rare. In general we must be satisfied with the medley of races which the German population represents, and must forego the idea of increasing one part of the population at the expense of another. The state, at least, has no power to effect such a replacement.

(b) The "Jewish Question"

Since the Jews constitute an exceptional case in this entangled problem, some additional observations seem advisable.

The "Jewish Question," which has again become a burning issue, as it has so often in the course of history since the departure of the children of Israel from the land of Egypt, may be considered under two heads: a personal problem and a fact problem.

The personal problem is implied in the question: Should persons of purely Jewish blood have equal rights, in all respects, with all other citizens of the Reich in holding leading and responsible positions, quite independent of their spirit and character, and what consideration do they deserve as human beings? My answer to this question is negative—without any reason whatever—because it ought to be so answered, even in the interest of the Jews themselves. I can accept no abstract principle of justice which would reject this view. In the pre-Wilhelm period this problem was largely solved in Germany by way of administration without anyone being compelled to suffer by it: the military corps and nearly the entire internal and judicial administration, with approved exceptions, were closed against the

Jews. Had this practice been retained, and had the Jews been assigned to other important fields, such as the universities, law and other activities, the German fatherland and, by no means least, the Jews themselves, would have been spared heavy afflictions. A solution of this problem is, however, not impossible; but if unpleasant hardships are to be avoided, it will require a great deal of tact and discretion on both sides.

Much more difficult, if at all possible, is the solution of the Jewish problem in its second form, where it appears, as I have said, as a problem of fact. Here it is a question of overcoming and removing, in a feasible way, what is called the "Jewish spirit."

I shall proceed from the assumption, whose justification I have attempted to show in detail in another connection, that there is such a thing as a specific "Jewish spirit" which in our own time has been observable in nearly all fields of culture and which has in part gained a strong influence. This spirit first struck root in the Jewish people, and we must assume that it extended itself among them, because it corresponded with a frequently recurring racial trait in the Jewish people. That is not to say, however, that there were not, and are not, among the Jews many people of a different stamp in whom this Jewish spirit did not, and will not, become active; who were, and are, animated by another spirit, perhaps the German spirit. Our own racial theory, explained above, would force us to this conclusion; but its correctness is also substantiated by experience. Instead of forcing my own opinion upon the reader on this point, I will quote the testimony of two men who, among many, have made the study of the Jewish question a life task, and—what is more important—who are admittedly ardent German patriots and "anti-Semites." I refer to Paul de Lagarde and Houston Stewart Chamberlain. Lagarde writes:¹⁰ "It has already been clearly established that all Jews who, with a seriously intentioned life, have come in contact with the Indo-Germans have succumbed to them. Hitherto there has been no Jew who seriously studied Greek philosophy, German history or German music, who has remained a Jew, and none who thus estranged himself from Jewry can deny that every truly German heart beat happily and always warmly in his favor. . . . Mixed marriages, under favorable circumstances, produced a progeny so German that no one,

¹⁰ *Deutschen Schriften*, 4th ed., p. 368.

not knowing the parents, ever dreamed that these hybrids were not purely German children."

And Chamberlain thought: "A wholly humanized Jew . . . is no longer a Jew, because, inasmuch as he has renounced the idea of Jewry, he has ipso facto withdrawn from that nationality whose coherence effects a faith through a complex of ideas."¹¹

But another statement, along with it, is even more important: that is, that the Jewish spirit is by no means bound to the Jew as a person; rather, that it would continue to exist even if the last Jew and Jewish stem were destroyed. And this by reason of two facts: first, the fact that the Jewish spirit may also, and very often does, strike root in persons who are not of Jewish origin, as experience has again shown. According to Chamberlain, there is an "inner Jew" whom he characterizes as follows: "One does not need to have the authentic Hittite nose to be a Jew; the word indicates rather a special kind of feeling and thinking; a person may very rapidly become a Jew without being an Israelite; some need only to associate actively with Jews, read Jewish newspapers and become accustomed to the Jewish conception of life, literature and art. . . . We must agree with Paul, the apostle, when he says: 'For he is not a Jew who is one outwardly in the flesh, but he is Jew who is one inwardly.'"¹² The Jewish spirit, after all, largely controls our entire age, for what has been characterized as the spirit of this economic age, in the first part of this book, is, in fact, largely a Jewish spirit. And Karl Marx was certainly right to the extent in which he said that "the practical Jewish spirit became the practical spirit of the Christian peoples," that "the Jews have emancipated themselves to the extent in which Christians have become Jews" and that "the real nature of the Jew has realized itself in the bourgeois society."

But this last statement applies also in another connection which is often overlooked, namely, that under the influence of the Jewish spirit the entire external structure of our existence has been formed and, as a matter of fact, *exists*, whether Jews are present or not. In other words, the Jewish spirit has become a part of us, it "objectivates" in a thousand regulations and practices: in our law, our constitution, our style of life, our economics, etc. Our economy, above all, yes, its very stamp, was received, as I believe I have proved in my book on the Jews, in no small part from the Jews. Certainly. But when once

¹¹ *Grundlagen des neunzehnten Jahrhunderts*, I: 458.

¹² *Grundlagen*, I: 457, 458.

the regulations and business forms are created, they are entrusted to non-Jews, as well as to Jews. Bills of exchange, securities, the bourse, the warehouse, the bank, capitalistic finance to a greater or lesser extent, may have been the creation of Jews: they are here, once for all, and are no longer concerned about the Jews. The greatest financial magnates of the world are very Aryan in blood and many of the great scandals of the bourse and of speculation are connected with non-Jewish names.

In order to free ourselves from the Jewish spirit—said to be the chief task of the German people and, above all, of Socialism—it is not enough to exclude all Jews, not even enough to cultivate an anti-Jewish temper. It will be far better to so transform the institutional culture that it will no longer serve as a bulwark for the Jewish spirit.

(c) A Sane Policy

It is obvious that a population policy, based upon the concept of racial classification, could have but a limited effect and should, therefore, not be considered as essential to a sane policy. He who underestimates the possibilities of bringing about changes in the racial mixture of historical peoples, is, from the standpoint of racial classification, condemned to inactivity; one must accept the races essentially as given facts and accept our destiny, which we cannot avoid, in the things as they are. Now an entirely new and differently constructed racial concept has appeared, which has recently developed (but is connected with very old ideas), which is supposed to help us out of our perplexity and give new support to an activist racial policy. This new racial conception does not designate, as a race, a collectivity, or group of persons, but a definite formation of individual persons (as in other living creatures). It would select one very successful specimen of a species out of many, that is, it believes in deciding according to value: it believes that *race is good quality*. It is taken from the theory of breeding: one breeds a "race" of horses, a "race" of dogs, etc., and designates, as "racial" (*rassig*), a product if it unites the advantages which are essential to its kind. That which is "racial" has "pure" blood (but that it also—and precisely—may depend upon the mixture of different races, in the classificatory sense; for example, an English full-blooded horse). Every species has a "race-ideal"; so also man. As regards man it has been described as the harmony of the entire being, under a "habit of

spiritual behavior and spiritual expression, which controls the spirit, soul and body."¹³

This idea of race, therefore, does not divide men vertically, according to origin or optional tokens, but horizontally, according to quality. In all classificatory systems, the one race does not include the others: there are racial Nordics, as there are racial Negroes or racial Mongolians. But under this system one should also, then, within one and the same classificatory race, grade off the racials, according to their peculiarity and their value, into a group of persons in the manner of Plato who distinguishes between men who have gold, silver or ore in their blood. All three may be "racial" in the sense indicated, that is, they may be identical, only that some would be "noble," the others less noble or ignoble.

But if we ask what importance this wholly unusual racial conception might have for the formulation of a positive "race-policy," a conscientious and repeated examination of the facts compels me to say: unfortunately very little.

In the first place, we must have clearly in mind that the "breeding" of a race, in the sense last indicated, is possible only by way of selection or rejection: a raceless individual can never be made into a racial individual, nor would his progeny be racial. If all persons in a nation are to be racial, it can only be achieved by limiting propagation to the racials only and exclude all others from it, that is, by sterilization. But against such a policy, while it lies within the realm of possibility, there are very strong objections:

(1) our present religious and moral susceptibilities would be opposed to it,

(2) the determination, from case to case, of what is "racial" would be attended with serious difficulties,

(3) Germany within a short time would very likely die out, since even a large number of children of racial marriages (over which, as we have seen, the state has no influence) which constitute with us, as with every modern cultural nation, a diminishingly small percentage, would not be sufficient to maintain the population at its present number. Besides, who will guarantee that all racial persons are the valuable persons or that the valuable persons can only be racial persons? We must be urgently warned against believing that we can get our values from nature. On the one hand, power of resistance and

¹³ L. F. Clauss.

value by no means always coincide even in nature; on the other hand, we build up our worldly values on bases which belong to a world entirely different from the creative.

It is obviously necessary to let the matter rest in the present state of meddled relations between the racials and the raceless. There remains but the question as to what a qualitative policy of population still obliges us to do. To me it seems that there is but one ideal that remains. It assumes that the population as it now exists, racially, is as healthy as it could possibly be. The aim, viewed in the light which the (wrongly) so-called "racial hygienists" have set for themselves, is nothing more than a "sanitation policy," since the actual problem is not concerned with "race," in any of the various meanings implied in that term, but with a given population of a country in its historic consistence.

It should also be self-evident that the health-value is not absolute. On the one hand, persons who are "sick" or sickly may be much more valuable than those who are healthy and, on the other hand, a person is of no value whatever, "merely because he is healthy." Nevertheless, a state should have as its aim a "healthy" population, because health is always, for the great masses, a condition of their usefulness. A healthy person may be more readily drafted for defense and can perform physical labor better than the sickly and the weak. But capacity for defense and ability to labor are the only two requisites which should be considered for the masses of people.

Measures which the state may employ to maintain and improve the health of the people within its territory, fall under three heads, namely, regulations dealing with conditions before conception, those which apply during pregnancy, and those which govern relations after birth.

Measures which are employed before conception may be decrees or acts to regulate marriage: these include such provisions as relate to the age at which the marriage relation may be entered upon, to the interests of a third party in the selection of a spouse, medical consultation of those desiring to marry, etc., or such measures as would exclude the sickly from procreating.

In employing the measures last mentioned, many difficulties are, of course, encountered. In a policy directed toward begetting only a healthy offspring, there is always the danger of lowering our cultural level, if, for example, the "unhealthy," but the higher ranking in qualities of soul and spirit, are excluded from human valuation. We

should not forget that the unusual, highly gifted persons have been, in the biological sense, nearly all classed as "sick." At all events at this point a very careful medical limitation should be placed upon the definition "sick," possibly a restriction upon those who are "hereditarily feeble-minded." But even this might leave a thorn in our conscience. We would be interfering with a divine world-plan, for which we could hardly afford to assume responsibility. For, do we really know the mission of the idiots in this world? In earlier times the village idiot passed as a sort of saint. And is it not possible that, in their association with the feeble-minded, the "healthy" will develop qualities which we must concede as being especially valuable? Will one deny that the tenderest sensibilities are awakened in parents through the care of their idiotic children. The purely naturalistic treatment of these problems always harbors a danger. Therefore, the very greatest caution is in order.

Quite aside from Draconic regulations, which, as a matter of course, are unthinkable, all measures which are to serve as a sanitation policy during pregnancy or after birth, are ill-advised: I mean such measures as in ancient times even an Aristotle could still propose: the expulsion of all beyond a prescribed number or all those begotten of superannuated husbands—that is, over 50 years of age—or the exposure of crippled children and the like. It seems to me that a thoughtful state should only be concerned with providing favorable living conditions for the mother and child. A healthy social order, concerning which more will be said in the course of this treatise, is the only and, in any case, the most important condition for the rearing of a healthy offspring. And this order includes all measures for preventing and, in the most practical manner, healing diseases. The care required to bring about such an order will demand the most thoughtful qualitative population policy of the modern state.

It is quite obvious that to attain these aims, a certain spirit must animate the bodies. But a reasonable population policy may doubtless contribute much to create the necessary conditions under which this spirit can unfold itself. However, the more a policy is applied with a frank recognition of its limitations, the more likely is it to succeed.

III. Nationalism

Under the term nationalism, as here used, is to be understood the conception, already sketched above, according to which the human race fulfils its mission on this earth by means of nations. This con-

ception, however, must be defined still more clearly in its peculiarity; it must be considered in its manifold effects and understood in its relations to other, partly related, and partly opposing views.

It is to be presupposed that in the elevation of a nation to an all-comprehensive, directive, final, common destiny, an apotheosis need not at all be manifest. It is true, every nation is of God and rests in God, but it is not God. And he who believes in a destiny of man, which points beyond this world, will also be able to recognize the predominating significance of life in the nation as a condition for the life in this world.

This final and, at the same time, transcendent character of the national idea manifests itself very distinctly to those who become conscious of its relation to the idea of mankind and to the idea of humanity or of humanism. These two ideas, if correctly conceived, by no means exclude, but supplement one another. One must, therefore, free one's self from the ideal of mankind which ruled the period of Enlightenment and therein expressed itself to the effect that it was possible to establish a direct relation between the individuals and mankind, because mankind was regarded as a union of individuals. But mankind, thought of as a union, is an entirely empty conception. It acquires reality only when one regards it as the totality of the nations. The only belief that is correct is that the widest association which can still exercise a power of forming life, is the nation, because in it the devoted, sacrificing activity of man has a concrete content which actively influences the individual directly; but it must also be remembered, that all culture draws its power from the peculiar quality of the nation only.

But on the other hand, the acceptance of this view implies the national conditionality of human existence and, consequently, the limitedness of national unity. It admits that it requires all nations together "to fashion a garment for the godhead," "that truth cannot be found in a single people, but only in all peoples articulated in one human race," as Goethe has said, or, as Wilhelm von Humboldt expresses it, "that the nations represent the separate individualities from whose cooperation perfection grows."

Different cultures see different parts of the world of beings and, therefore, perceive the world under definite categories and form their life under different norms; each has its particular "nomos." This being true, it denies the possibility of one nation being represented by other nations and it must follow that the very highest efficiency

of the native genius of each nation is necessary to enable mankind to fulfil its mission. Only by cooperation, by supplementing the unrepresentable parts of mankind, is it possible to develop the entire strength which resides within mankind as a whole. These thoughts, which the late Max Scheler developed with special clarity, deserve recognition and it may not be inappropriate to record, at this point, the gratitude of a friend.

Only in proceeding from this standpoint can we form a proper judgment concerning the relation of individual nations to one another. To characterize this relation, there are three—un-German methods of designating—expressions at our disposal: imperialism, internationalism and cosmopolitanism, for which last term only the comprehensive, Germanized word, *Weltbürgertum*, is an approximate equivalent. I shall tell briefly what significance is to be attributed to the meaning of these three words from the standpoint of German Socialism.

Under Imperialism we may here understand: the rule of one nation over another. When we say, “of one nation,” we mean the rule of one people in the ethnic sense over another without the means of political power, that is, the “peaceful penetration of culture,” as, for example, the “rule” of the Greek people in the Hellenic period or of the Jewish people as it appears in the modern period. That such a rule is not to be thought of for the Germans—Goethe occasionally dreamed about it—is for us, who represent the nationalist standpoint, self-evident; and so to speak of imperialism in this connection is scarcely to the point. “Cultural imperialism” is inconceivable. Imperialism always presupposes that the rule is exercised through the power of the state, that is, that the control of one nation is over another.

Real imperialism appears in three very different forms. Sometimes it consists in a rule for the sake of power, without our being able to attribute to this rule any reasonable meaning: Alexander the Great, Genghis Khan, Napoleon; at another time a religious idea lies at the base: the Hohenstaufens, the Turkish rule, the early Spanish rule over America. In the third, the most important, practical form, imperialism stands under the spell of a very clear, world-materialistic purpose: one nation seeks the rule over another for the purpose of exploiting it, that is, to enrich itself from it without rendering to it a corresponding, material equivalent. There were numerous examples of this kind of imperialism in all ancient history and it attained its perfection in the *Imperium Romanum*. But it left its chief marks upon

all modern European history and during more than four centuries it developed into the form of modern imperialism. It is not, however, concerned with the control of one European nation over another European nation, but with the control of European nations over nations outside of Europe. We may designate this period of history as "the rule of the white race over the earth."

This economic imperialism is, from the standpoint of nationalism, to be judged variously in accordance with the counter-values which the exploiting nation brings to the exploited in roundabout ways. If the contributions are real cultural values which serve to bring a primitive people to a higher cultural development, imperialism may, perhaps, justify itself. If they are merely values of civilization, then it is a question concerning a very deplorable procedure. And this is the case with all modern imperialism. The west-Europeans had nothing to offer except their most questionable values of civilization in the form of powder, bad liquor, calico, WC, street railways, machines, telephone equipments, parliamentary constitutions, and so forth, but they destroyed in part very valuable cultures in Africa, America and Asia. Here they acted as elephants in a china shop. In place of the colorful diversity, there appeared the gray monotony of their unculture.

This unpleasant period of human history, let us hope, has passed: the rule of the white race is tending toward its end. Not because the west-Europeans have admitted their misdeeds, but because the rest of the people on earth have begun to think about themselves and their own special qualities. The national thought is breaking always new paths and finds its apostles everywhere. But this general recognition of nationalism certainly means a gain for mankind.

The idea of the "Reich" does properly belong within the orbit of a presentation of imperialism, as it is presented by so many, and in especially clear thought structure and trenchant words at present by Wilhelm Stapel who anticipates the future in the return of the "Roman empire of the German nation" (without, however, the religious background), and who frankly characterizes the establishment of this "Reich" as the most important problem of mankind. "Every people in the Reich forms a natural estate. Every estate has its morality. But the decision concerning the highest law, as well as the determination of the friend-enemy relation, will remain with the people of the Reich." The realization of this idea of the Reich would not signify a new imperialism but, as I have already said, an apparently new form of the nation. It would put an end to the democratic idea—

connected with the modern nation-idea by an historical accident—according to which all, even the most inconsequent nations, claim equal right to existence and action. It would construct a thoughtful hierarchy of peoples without, however, including the Jewish idea of a “chosen people.” The “Reich-idea” has, it may be said, at the moment no practical, political significance. Likewise all missionary work falls outside the orbit of imperialism, so there would be no sense in here discussing its own efforts along this line.

The positive acceptance of the idea of nationalism and the equally positive rejection of imperialism does not, of course, exclude the idea of individual nations entering into relations with one another. These relations of nations to one another, not based upon the subjection of one nation by another, we may express by employing the two other words mentioned above: we speak of internationalism, to designate the civilized relations of nations; of cosmopolitanism, to indicate the cultural relations.

Obviously the concept internationalism includes very different things. There are

(1) the material, and the economic relations of nations with one another, which together form what we call world-economy. Concerning their new formation, I shall speak later on in this work in connection with the economic life.¹⁴

(2) Closely connected with economic internationalism, is that which may be designated as institutional or legal internationalism. It includes all agreements or treaties concerning any common or opposing interests of the different states, but mostly those arising out of the commercial life. Here may be mentioned an endless series of conventions, from post and telegraph treaties to international protective labor laws and the Geneva convention. Here too are included all arrangements which serve as an interstate, a mechanized, a scientific and an artistic control: all international unions, institutions, societies, committees, etc., of a scientific, technical and artistic character. This kind of internationalism is harmless and may harmonize with the interests of the nation.

(3) There is also a state-political internationalism which has always shown itself in diplomatic relations and has recently found its expression in permanent institutions. The beginnings of this second form of state-political internationalism, which we now have before

¹⁴ See Chapter XVIII.

our eyes, are not of a very gratifying nature. But that does not exclude the possibility of finding forms which will be acceptable to all states. It is not inconceivable that the conversations of diplomats and statesmen, which have hitherto been based upon personal contacts, might be given a spiritualized form in permanent institutions (another step along the way which, apparently of necessity, depersonalization, despiritualization and objectification is forcing mankind). But even if such institutional forms were able to create an understanding between individual states, it may be positively said, that it would nevertheless be foreign to German Socialism to extend the orbit of power of the socialistic idea to relations between states. The guiding principle of these relations, so far as we can see, will not be based upon *ratio*, but upon *potentia*.

That all unions of a political character between individual members of different nations imply a great danger, requires no special proof: they represent an attempt to break through the nationalistic principle and, in any form, deserve condemnation. And here I would include ogling with the idea of a "blonde internationale," that is, a "peace association of Nordic people" regardless of state boundaries.

We may properly speak of cosmopolitanism under circumstances of free, unorganized relations between peoples, in the sphere of spiritual science, art or social relations. It is, as we have seen, a part of the German way or habit (some call it a bad German habit) to have always had an appreciation and a love for things foreign. It has been said to be un-German, merely to wish to be German. And I am of the opinion that we need not be ashamed of this peculiarity and may well cultivate it as long as our own nature does not suffer by it. Therefore, I think, in matters of this kind moderation and poise should be observed. For example, if in saying that foreign art or literature is "suggestive" or "stimulating," we mean that we also enjoy the productions of foreign countries, there is nothing to be said against it. But if we mean that foreign artists and foreign poets are by preference to be cultivated and promoted, then it is a bad custom which might well disappear. If, finally, we are to understand that our own creations should be influenced by foreigners, this kind of relation would constitute a great danger to German culture which really has no need of such inspiration from without. I could wish that everyone who continually speaks about the fruitful influence of for-

eign culture upon our German spiritual life might hold before his soul the words of Goethe, who certainly was no "Teutomaniac" and no "chauvinist": "The German encounters no greater danger than by attempting to rise with and through his neighbors; there is perhaps no nation better suited to develop itself from itself, for that reason it was to its greatest advantage that the outside world was so late in taking notice of us. Now that a world literature is introducing itself, the German, from the critical point of view, has the most to lose: he would do well to think about this warning."

Our humane sentiments command us to permit other nations to take part in our spiritual life. But to carry on "cultural propaganda," that is, to expose our spiritual products to all the world by means of modern business advertisements (one remembers with a shudder the machinations in the "Goethe-year" 1932!) is contrary to good taste. "Cultural propaganda" can be justified only if direct political purposes are to be (and can be?) promoted.

Now there are people who would not limit the relations of the various peoples to the enrichment or stimulation of their own national culture, such as we have mentioned above, but who hope, rather, to bring about something like a European or west-European cultural community which will then form a new human type: the European man, or the "good European." Nor are all who cherish this hope shallow-pated. Their leader is Nietzsche who, as we know, coined the slogan "We good Europeans" and whose "Superman" is to be interpreted in this sense. This "good European" whom individuals mark off territorially in various ways—not to be considered here—would not, however, strictly speaking, be a German or a Frenchman or an Englishman, but a German plus a Frenchman plus an Englishman, divided by three. An international, in the sense of between or amongst nations, or, if you will, a supernatural person.

I regard this idea of a European person as fundamentally wrong.

Such a supernatural person, according to my way of thinking, cannot even be thought of, at least not as a phenomenon having cultural value. If one accepts the national person as a particular species developed through long years of cultivation, rooted in the "race and soil" and, above all, in the language, one may think of a mixture of these various species as an abstraction: it would be a tree which unites within itself the oak, the beech and the linden, but this abstract tree

exists only in our imagination. If one were really to blot out the national characteristics of a "good European," one would need, above all, to create an international language (or accept one of the existing languages). But that would mean to tear out the roots of all culture. So we shall always fall back upon our nation and rejoice in a healthy nationalism.

CHAPTER XIV

THE COMMUNITY

I. State and Society

IF in this chapter we are to form an idea of the state as a community, we must concern ourselves with the exposition of a theory which has attempted to explain the relations here involved, but which has contributed not a little to the confusion of minds. It is the theory according to which the state forms an antithesis in society, and by society one is to understand all the existing groups of persons in a state, considered as one body. In its roots, the theory goes back to Hegel; in its completion, to Lorenz von Stein, both of whom, however, have doubtless been misunderstood. With Hegel "bourgeois society" in no sense stands in contrast to the state, but forms it structurally as an "external state" or as a "necessary and intelligible state," as a "concrete state." But when Stein wrote: "It is our task to introduce the social order and movement, as the chief factor of all state life," and stated that the new theory "must not merely combine the history of the state with the history of law, it must subordinate both to the idea and the laws of human relations," and "we have laid down the principle, that the order, the powers and the movements of society necessarily control the constitution of the state,"¹ he disclosed nothing more than a very justifiable reaction against all state and constitutional doctrine, which had become altogether too formal.

The Hegel-Stein method of thought meant a return to the great models of all constitutional theories: The thought of Aristotle and the scholastics was to regard the state not as a vacant space, but as a structure formed by human hands, grown out of the soil and race, and permeated throughout with life. Not a trace of the later fad, born of liberalistic thought, of the state and society as two concepts or two facts, opposed to one another: here the state, there society! Such a contrast means either an antithesis of two disparate concepts: state=idea and society=collectivity, or the arbitrary dismemberment of the concept of state into two halves: state functionaries on the one hand, and population on the other; or the narrowing and diminishing of the concept of state to a purely formal mechanism of

¹ *Einleitung zur der Geschichte der Soz. Beweg.*, pp. cxxxv, clx.

control and organization with which "society" is contrasted as a substance full of life. The theory has found an especially wide acceptance in this last sense and has served to furnish an excellent base for the justification of all kinds of hostilities and bargaining attitudes toward the state. After the state had been made into a bogie, one could use it to scare all political children and, meanwhile, pursue one's "social," that is, self-seeking interests. This wholly depraved conception of the state appears—strangely enough—in especially obtrusive form in Paul de Lagarde, to whom we are also indebted for the thesis that the true idea of state is the "Roman view," an "anti-German principle." For Lagarde the state is a "means to an end," a "machine," synonymous with "incapacity, haughtiness and official caste," and Hegel, "a dried-up, grown-up subaltern," etc.

One may form some idea of the nature and wide dissemination of this liberalistic-democratic conception of the state from a book by an American, H. E. Barnes, "Sociology and Theory of State" (1927), in which a praiseworthy survey is given concerning the "ruling" theories of the state. Summarizing, the author observes: "the majority of authorities on public law today regard the state primarily as an umpire who uses the least amount of force that is necessary to keep the different 'groups of interests' within society in the framework of peace and law, in which he holds himself strictly to the rules of the game which control the conflict of the social groups and classes. Some socialists, on the other hand, see its purpose primarily in the standard of the rights of citizens in their peculiar position as consumers, but they would leave the full control over the activities of social production to other functional organizations. . . . One (!) no longer believes today that the state existed from the beginning of history; rather, the view now generally (!) held is that more than nine-tenths of the historical development had already been obliterated when the state began to develop. It necessarily follows that the state developed as a social organization which, though incomplete, was adjusted, step by step, to the needs of a continually evolving society (!). The so-called 'social hypothesis' today has nearly conquered along the entire line. Society is accepted as the foundation (!) upon which the state, as a special organ or as an apparatus of power, has developed." Also, "the opinion is general (!) today, that democracy best serves the needs of society" (!!).

This "generally accepted" conception of the state vanishes as a spectre in the light of a concept of state which critically analyzes the

representation given above. If one properly regards the state as the greatest political association, it cannot be placed in contrast with society from which it is really formed. For in what other way can we determine a (state) society than by including all within the boundaries of a state and in union with it? But we may well make use of this conception as a background to our own view of the state, inasmuch as we now regard it as consisting of all the associations taken together—which I call the *community*—and thereby consider it as an articulated whole which, as we have shown, forms a unity within the nation. In this aspect the state is the *politeia* of Aristotle in the second meaning which he gives to the word, where it does not express a definite constitutional form, but simply a constitution. Not, however, a constitution in our modern, altogether too abstract theory of state, in which the constitution is understood to mean merely the content of the written constitutional document, but in the sense of the entire picture which a state gives in its social structure. Both concepts of state and society, then, do not stand in the relation of a contrast to one another, but in that of equality or likeness; and so we cannot say: state and society, but state *as* society. But as the substantiality of the nation corresponds to the collectivity of the population, so does the substantiality of the community correspond to the collectivity of society; and just as in the case of the nation we found it necessary to have a clear comprehension as to aim, task and mission, so we must here attempt to give a distinctly formed picture of the community from which particular political measures emanate.

In doing this we must guard against drawing a false picture of the community through introducing foreign, natural science concepts or through making the mistake of regarding it as an “organism” and the like. To prevent confusion, one must limit the concept of organism to the living world of nature, for an organism exists only where there is a soul. But human society is connected *in the spirit*: it consists of “associations” which are freely formed, which have a “meaning,” whose behavior are in no wise only explained from the purpose of the whole, whose active causes we should in no sense regard as the effect of the final cause. That is, human society is not a “self-organizing essence,” it has no “soul” (such as Aristotle logically but falsely ascribed to it, in order to support his organic theory); the persons who form the separate associations are in no wise under the spell of necessity as “the instruments of that soul.”

Human society is a structure of a peculiar sort, a spiritual structure composed of individual associations likewise spiritually held together. These associations as a whole, not as individual entities, form the body of the community, that is, the state in the form considered here. The state is no more an organization than are the people.²

If one, nevertheless, wishes to contrast state and society, it can only be done by contrasting two ideas, attitudes or principles of order: the centripetal and the centrifugal principles; according to the former principle the state, as the greater, more comprehensive, political association determines the ultimate behavior or conduct; according to the latter, it is determined by the individual association within the state, such as the church, a class or an association. We thereby return to the original determination of the concept of state and society, given by Hegel, and see embodied in the state "the thought of a political leadership above the egoism of social interests,"³ not a "compromise between a series of group interests," a "resultant of the different lines of pressure," which Barnes has announced as the leading conception of state.

I shall indicate below the fundamental lines upon which, according to German Socialism, a community, constructed on the principle of the authoritarian state, is formed.

II. The External Structure of the State

The external structure of the state is essentially formed by what is usually called the "constitution" of the state. The problem, which here needs only to be hastily sketched, revolves about three questions:

A strong or a weak state?

A centralized or decentralized state?

A unitary or multi-articulated state?

If German Socialism demands any one thing of a constitution, it is the strong state. It demands it because, in contrast with liberalism, it places the welfare of all above the welfare of the individual, and it demands it because it does not believe in the naturally "good" and perfect man, and, therefore feels that it must come to terms with the sinful man. The idealistic state, as it conforms with the German idea of state, is necessarily thought of as a strong state, since it must have the power against all centrifugal forces, that is, against all interests, to achieve the tasks of the nation. But a strong state expresses itself

² cf. pp. 167f.

³ Carl Schmidt.

in a strong government, with great power at its disposal. "The greatest need of the state," said Goethe, "is that of a courageous government."

And no country has greater need of a courageous government than Germany. "Germany must be free and strong, not merely that it may thereby be able to defend itself against this or that neighbor or, in general, against every enemy, but because only a nation that is strong externally can preserve within itself the spirit from which all inward blessings flow; it must be free and strong, so that, if put to the test, it may foster the necessary self-confidence to pursue its national development quietly and undisturbed and be able to always maintain its beneficent position which, in the midst of the European nations, it takes upon itself in their behalf."⁴

The very fact that the Germans are a people who are not politically minded makes a strong state an unavoidable necessity. Just because we are so varied and manifold and under so many tensions, we require a strong state to hold us in its grip. "The acknowledgment of our diversified, arbitrary life would lead to an unfortunate, pluralistic dismemberment of the German people, according to confessions, races, estates and group-interests, if a strong state did not hold and secure the whole above all multiformity."⁵

But, paradoxical as it may seem, the Germans also need a strong state in spite of, or just because of, our numerous, small, independent households (*Eigenbrötlei*). That we gladly accept "a clear, sharp command," has been rightly characterized as a *German* trait, not merely a *Prussian* trait, as some would have it. One may also say that a German gladly permits himself to be "led," a fact which stands in closest relation with the metaphysical attitude of the German soul, as I have shown in another connection.

The principle of leadership, which we recognize, means the acceptance of a supreme will of a leader who receives his directions, not as an inferior from a superior leader, but only from God, the supreme "Leader" of the world. One who wholly grasps and affirms the leadership principle must believe in a progressive revelation. Without this belief in revelation, the leader-principle hovers in the air. The ruler of a state receives his commission from God, which means in the last analysis: "All authority comes from God." He is not required to listen to the "voice of the people," in so far as he does not recognize

⁴ Wilhelm von Humboldt.

⁵ Carl Schmidt.

in it the voice of God, which, however, can never speak from the accidental and changing totality of all citizens or indeed only from the majority of the citizens. The *volonté générale* which is to be realized is a metaphysical, not an empirical reality; it is not concerned with the *volonté de tous*; the leader cannot ascertain it through a plebiscite; he must recognize it and can only have experienced it through revelation. For this reason the approval of the "people" is not necessary for a justification of a leader's conduct. Those who have served their nation most have been the most unpopular rulers—Bismarck in the period of conflict. When Frederick William I died, the people in the streets are said to have embraced one another and wept tears of joy. The statesman serves no popular interest, but only the national idea. All plans for influencing, controlling or limiting a ruler's will are expressions of an anti-national mindedness, attempts to serve individual interests, timely interests of an individual or groups of individuals or, for all I care, all individual citizens.

Goethe expressed these thoughts in other words when he said: "We need a word in our language which expresses the relation of folkhood to folk, as childhood does to child. The educator must hear childhood, not the child. The lawgiver and regent, the folkhood not the folk. The one is reasonable, permanent, pure and true; the other, because of nothing but wishes, never knows what it wants. And in this sense the law should and can be the expressed will of the people, a will which the crowd never expresses, but which the intelligent accepts, which knows how to satisfy the reasonable, and to which the good gladly accede. What right we have to govern, no one asks—we govern. Whether the people has a right to depose us, we are not concerned—we shall take care that it will not be tempted to do so."

The form in which this authoritarian power of state presents itself is conditioned by time. The form given by nature is the absolute monarchy. In "democratic" periods this may be displaced by other kinds of constitutions: the military dictatorship, the single-party system, according to the soviet-fascist pattern, or the authoritative presidential constitution and others.

The supreme will of the state need not be embodied in a single person, and, with rare exceptions, it never has been. The knowledge concerning the aims and purposes is most successfully disclosed to a council of control composed of a small number of the very ablest men. To find the best selective principle for the formation of this council, and, beyond that, to find the "élite," is the chief problem of

government. That the parliamentary principle of selection would not come into consideration, the experience of the last century has shown. The Catholic Church with its college of cardinals at its head remains as an exemplary model of every democratic-authoritarian constitution. The Prussian army may also serve as a pattern.

In championing the cause of a strong state, it must be admitted that the two other fundamental questions about the constitution are not yet unequivocally decided. A strong state does not need to be a centralized state: it may give a wide latitude to self-administration, in fact, the stronger the state, the greater the latitude. Even in the smallest commune the public weal may determine the course of politics. The state does not live only in the central part, but in every one of its parts. While a strong state corresponds to German nature, it is also true that a very far reaching self-administration has always been our pride.

A leading spokesman of the young generation of our fatherland has expressed himself concerning this important point as follows: "It lies in the nature of the organic state to bring the peculiarity and individuality of its members into conformity with the structure of the whole and yet guarantee to the members the unity, the possibility of self-determination and of growth from within. The political expression for this is the inner formation of the state according to the principle of self-administration. There arises thereby an all-sided, mutual action of the members among one another, and also between the members and the whole: it provides a movement of energy and action from above to below, from below to above, a mobilization of the energies of the people."⁶

But what is true of the division of authority between the central government and the local administrative bodies applies in even greater measure to the division of functions and powers between the Reich and the states (Länder). Here, too, is the fame of the Germans, which should never be diminished, namely, the excellent articulation which finds its expression in an unyielding "particularism." One will certainly agree with Carl Schmidt when he writes: "The German state is nothing more than the German Reich. The German state is in itself an articulated structure composed to a large extent of independent states and provinces, but it is not a federal state."⁷

⁶ E. Kriek, *Der Staat des Deutschen Menschen* (1933) : 42.

⁷ Carl Schmidt, *Staat, Bewegung, Volk* (1933) : 19.

But that does not prevent the administration of public affairs from being organized under the Reich and in parts of the Reich. I see no reason why here the Reich should not be given those powers that pertain to the Reich and the members those which concern local affairs. There should be uniformity of administration where it is required, because of military or technically commercial reasons, but beyond that the "particular" organizations should be maintained and strengthened and upon them should devolve, above all, the promotion of cultural interests. Civilization, for the Reich, culture for the states (Länder)! For the present we must surely take the position that, even in the life of the state, every unification is an evil, although under circumstances a necessary evil, and that "equalizing" has nothing to do with unifying.

Whether the existing boundaries of the states (Länder) should be changed is a technical question of public law, the discussion of which does not belong here.

III. The Internal Articulation of the State

I. THE "NATURAL" ORDER IN THE PARTICIPATION OF LABOR IN SOCIETY

Before attempting to visualize how society is organized in Germany today and what changes in organization would be possible, it is well to remember that there is a "natural" order which, as in all society, applies also to us alone in the matter of the participation of labor, and which I call a "disentangled" society. This "natural" order contains the conceivably essential parts of society which, in the case of Germany, are as follows:

1. A ranking order which extends at least to the distinction between the socially useful and the socially harmful (criminal) elements;
2. A group formation according to occupations: "The state consists not only of a majority of people, for the people must also be considered according to kind," said Aristotle; "general diversity of specialization in a bourgeois society (having piecework and part-performance) is a necessity"; in the opinion of Hegel, the whole relationship grows out of the "special systems of needs, out of its means and tasks, out of the kinds and methods of satisfaction and theoretical attainments—systems to which individuals are allotted." These "systems of needs" are expressed, for example, in our Reich's statistics

under the headings A, B, C and so forth; they are—at least for the most part—the “eternal categories” (of the divisions of labor in society).

3. The order of arrangement may be a three-fold one; it rests either upon *potentia*—a naturalistic order, or upon *caritas*—a caritative order, that is, having a benevolent tendency, or upon the super-individual *ratio*—a normativistic order.

2. THE RECEIVED ORDER OF THE GERMAN PEOPLE

I have already discussed this in its fundamental outlines in the second chapter, and I shall summarize what I have said there—with the addition of certain details—as follows:

1. The principle of order is fundamentally the naturalistic principle, which is supplemented through a charitable attitude toward the individual and through a rationale: every individual is permitted to find his own place in society, which corresponds to his own judgment and his own authority. Society is “the battleground of the private individual interests of all against all.” When this principle of order came into its own, men were ruled by the belief in a “prestabilized harmony of interests,” that is, in a belief that the “best” society could only be formed if every individual were given complete freedom of movement (the influence of Newton’s theory of the spheres).

2. The selection of the order of rank was likewise self-determined by the individual: liberal-democratic society is that “which requires the least possible amount of (state) control,” according to Spann. But even in a liberal society the order of rank is not wholly formed without state interference. It is expressed in provisions against negative elements, in gradations of political rights and the like. But in general it is left to the “public” or to “public opinion” to create the ranking order. We have seen what became of all this: the hierarchical order was constructed on the basis of fixed categories, achievements, results.

This purely “bourgeois” order of rank was partly disrupted and partly supplemented through the growing proletarian sentiment in favor of an ideological equality⁸ on the one hand, and through remnants of a bureaucratic-feudal hierarchy, having their origin in the pre-bourgeois period, on the other hand. In Germany, and in par-

⁸ See Chapter VII.

ticular in Prussia, this proved to have a significance that must not be underestimated: notably as regards the military, the officials, the nobles and—to a less extent—among the educated (and scholarly) classes.

3. Articulation was carried out in a countless number of “associations.” That separate individuals had ever stood beside one another and opposed one another is an erroneous representation hatched out at a writing-desk. There never was an “individualism” in this sense, and it is inconceivable that there ever can be, since men are by nature spiritually bound together, that is, they are articulated through associations. And, in fact, in the economic age there were the three kinds of associations⁹ which existed side by side.

Foremost among the ideal associations are the family, the religious and the political associations. Of these the significance of the family has gradually decreased during the last period, primarily because of the dissolution of household economy of which I have spoken above. The religious associations have not suffered in outward extension, but they certainly have in inward strength. The political associations have lost to the extent in which the state has refused to assert its rights.

Of the intentional associations, the vocational associations have been forced from their dominant position as the vocation has lost in its constructive social power. But in their place countless intentional associations have been formed through a community of spiritual, social and cultural interests: among them the “unions” hold a prominent place.

But the type of association which, above all, controlled the economic age, was the association of purpose, which appeared in every conceivable form, but primarily for an economic purpose. The reason for its extension was the primacy of economics, and economic interests were decisive in the formation of associations.

Because the economic associations of purpose were developed separately within the two (three) “pillars” of our ruling economic system—the employers and the (employed) laborers—the entire formation of associations received its class-like character, since under (economic) class we wanted to include those persons who were equally interested in the fundamental formation of the economic life.

⁹ See p. 55.

3. CRITICISM OF THE EXISTING ORDER

(a) The Problem

German Socialism, according to its inmost nature, stands, as I have already shown,¹⁰ critically opposed to the structure which society experienced in the economic age: it repudiates, as crude and presumptuous, the naturalistic principle of order and seeks to replace it with the normativistic principle; it regards the order of values and its corresponding hierarchy as fundamentally wrong, as one which impairs human dignity; nor can it approve the group-formation as a whole. The question is, what is the correct basis? First of all, we may answer by calling attention to certain slogans which are at our disposal. We hear of a "corporative," an "organic" and a "popular" social order, all of which seem to be comprehended in the concept of an "articulation of estates." In the following I shall, therefore, attempt to give the reader the clearest possible conception of these ideas. And first in its purely intellectual connection.

(b) The Nature of an Articulation according to Estates

In order to get a clear idea about articulation according to estates, it is well to understand, first of all, what is meant by an "estate" (*Stand*), for obviously an "estate-articulation" is equivalent to an "articulation according to estates." It is indeed fortunate that in the spring of 1934 "The Academy of German Law" offered a prize for the best answer to the question: "What is an Estate?" Truly, it is high time that we were clear about this matter.

The unusual confusion which still exists in this field seems to me to be due to the fact that the ambiguity of the word "estate" has never been recognized or not sufficiently considered.

In German literature (to which we may here limit ourselves) the confusion goes back to Hegel and other romanticists. In Hegel we find three conceptions of estate related through one another. At one time he calls estate the "system of necessities allotted to individuals," that is, the members of a particular economic division (in the sense of the Reich's statistics) A, B, C and so forth, and he distinguishes, accordingly, between the "substantial estate" (economic division A), the "estate of business" (economic division B and C, since he

¹⁰ See Chapter XII under I.

includes the "trade estate") and the "general estate" (essentially economic division D).¹¹

Then again we are told that one belongs to an estate only when a member of an "authorized corporation," "for only the common, which is legally constituted and recognized, exists in a bourgeois society."¹²

The third conception of estate with Hegel, which he calls the "estate in political significance," is that which came from the old constitutional order of estates. Hegel's uncertainty is expressed in the following sentence: "Although in the representations of so-called (!) theories, the estates of bourgeois society in general (!), and the estates in political significance, lie far apart, nevertheless the language also (!) preserved this union, which formerly existed, as it is."¹³

If we wish to bring order into this train of thought we must sharply separate from one another two concepts of estates: the social and the political.

The social concept of estate is that which thinks of the estate without any relation whatever to the state. According to this the estate forms a "part of the whole" which, together with the other parts of the whole, constitute the "social organism." And in fact: either in a general social sense, that is, applying to all specialized society; or in a socio-historical sense, that is, a definite formation of specialized society, corresponding, for example, to the capitalistic—the concept of estate held, for example, by Adam Müller who recognizes four estates and designates the fourth, represented by the youth (!), as the "commercial and merchant's estate" which "finds occupation and employment in material capital." And again, we may consider the social estate either as a purely statistical group with definite objective features, or as an association, in which case it may be animated with class-feeling, professional honor, and so forth.

The political conception of estate, on the contrary, is that in which the term estate designates a group, recognized as such by the state, articulated in the state and entrusted by the state with definite tasks. These tasks are primarily the following:

(1) the cultivation of a definite opinion, of a definite spirit; the peculiar quality that is common to all in an estate should find expression in a larger number of persons of the same tenor of life and

¹¹ *Phil. d. Rechts*, pp. 201ff.

¹² p. 253.

¹³ p. 308.

be elevated to a general idea so that it may be recognized and accepted as an essential part of the community, that is, of the so-called *whole*;

(2) the establishment of the principle of inequality in the state through the granting of special privileges to the estate or through the withdrawal of certain rights;

(3) the exercise of functions in the political and social life. The most important of these functions are:

(a) ethical-educational: the cultivation of the honor and morals of the estate, the education of the youth to this end, and so forth;

(b) economic: the carrying out of a planned economy in accordance with state regulations;

(c) political in a restricted sense, as, for example, where the estate is supposed to cooperate in the formation of the state-will, as in the formation of the constitution of an estate, in a parliament of an estate, or in a chamber of estates; or in cases where the state functions are delegated to the estate as a self-administrative corporation. If an estate fulfils all three of these tasks, we may speak of it as a "complete or perfect estate." If it fulfils only one or two of these conditions, there exists only a "partial estate," which constitutes, therefore, only a mental, a privileged, or a functional estate and, consequently, is obliged to fulfil only two of these tasks. The partial estate always implies a weakening of the estate-idea.

The term "estate" should be applied only to the political concept, since it signifies a large number (multitude) of persons to whom the state assigns definite tasks within its jurisdiction. It is, of course, at the disposal of the state to determine the conditions and limitations of an estate formed of persons. The state may, at its pleasure, constitute as an estate the one-eyed or the red-headed persons within its jurisdiction. If it form an "economic estate," similarity of the "chief occupation" will naturally form the guiding principle for the classification. And again, it is wholly within the province of the state to determine the occupations which are to form an estate: it may form a "manual-workers estate," based upon membership in a definite economic system, an "industrial-workers estate," based upon membership in a class, an "agricultural estate," based upon membership in a branch of economy—again a discretionary demarcation—or a "silk estate" (*corporazione della seta*), which includes everything pertaining to silk, from the peasants who cultivate the silkworm to the silk-factory, the silk-dealer and the loan-bank of the silk-dealer (perhaps, in exceptional cases, including the population consuming

silk material) ; or the state may create a "food estate" which includes all who produce from the soil and who elaborate and handle the products of the soil—from the peasants on, through dealers and banks, to the conserve and sausage manufacturers. In fact, by way of simplifying, one might conceive of all those engaged in the entire field of industrial economy as being divided into two large "estates"—an "organic" and an "inorganic," depending upon whether they were occupied with living or inanimate nature.

Of course in such a dispersion of memberships to various estates one encounters the danger of destroying the proper concept of an estate. For a complete or perfect estate, as we have seen, should also fulfil tasks in addition to the mere exercise of functions ; it should, above all, also cultivate a like-mindedness, and that is scarcely possible in an estate having so wide a scope as that of the silk or food industry. It is not to be expected that a German peasant and a Jewish grain-dealer are or could be of one spirit.

But whatever the line of demarcation may be, the concept "estate" should always be political, for only in that sense is it possible to think rationally about an "estate-structure." If we take the position that the concept of estate should be formed on a social basis and regarded as a "part of the whole" of the "social organism," or anything like it, we are faced with the paradox that all society (under the division of labor) rests on the "estate-idea." And this conclusion is also drawn, for example, by Othmar Spann, to whom we are indebted for so much information about the "estate" question, when he writes : "Estate-articulation is a fundamental fact of *all* society and political history ; it is the rock upon which the surging waves of individualistic, liberal, democratic and social democratic movements must break."¹⁴ Very well ; but if that were true there would be nothing to change in the future ! And surely there is an active attempt to create a "structure of estates," where none exists.

I have indicated above the wide range of liberty which statesmen would have in the execution of an "articulation according to estates." But we must keep in mind that this liberty is not unlimited, that there are, rather, very definite conditions and presuppositions to an estate-articulation by which every statesman is bound. We have already discovered one limitation to arbitrary action in this matter, namely, the extent of the personal orbit of those who could conceivably be

¹⁴ *Der wahre Staat*, p. 247.

formed into an estate. A further limitation is imposed by the fact that some characteristic, according to which membership is to be determined, must actually exist and be evident. If, for example, a statesman were to articulate men according to "vocation" and thus form a "vocational estate," he would encounter the greatest difficulty, from the very simple fact that in many spheres of social life, especially in the sphere of economics, there is no longer a real "vocation."

But I have in mind other, more intrinsic presuppositions, that are connected with an estate-structure. Among them the following deserve special consideration :

(1) *The constancy of the relations of life.* The terms "estate" and "permanent" convey related concepts. The foreign word which includes the idea of both is "static." An "estate-articulation" can only have a meaning in a society in which there is not a constantly objective, and therefore, personal change. If one were to connect the estate-articulation with the development of a definite estate-morality—which is here proposed—there could be no eternal change from one estate into another, that is, an eternal reconstruction within an estate could not take place. "The organization of estates has no short-cut solution. The organic connection is a thing of the moment, the organization of the estates, a permanent affair."¹⁵

(2) Estate-articulation presupposes a *total ordering* of society within the state; self-interests are to be overcome and articulated in the state as a whole; nor, in such an order, does the individual find his place in society according to his own estimate, but receives the place assigned to him. That means the recognition of the primacy of politics. In other words, an order according to estates is not reconcilable with the principle of free enterprise and free competition. In a community in which capitalistic economy still rules, an estate system is a contradiction. Not until the state rests fundamentally upon institutions, that is, upon a legal order which imposes duties, can an estate-system fulfil its tasks. The legal order of today rests essentially upon individual "rights"; it must be turned about before an estate-articulation can take place.

(3) The concept of rank, of gradation, of hierarchy, is necessarily connected with that of an order in a positive sense. The necessity of this gradation follows from the fact, that the peculiarities which are to be brought into prominence in the estates are not unequal in im-

¹⁵ Georg Wippert.

portance. They would be so, even if one would regard them as parts of a "natural organism": animate nature is always graded according to rank: a finger is less than an arm, an arm less than an eye, an eye less than the lungs or the heart, even for the functioning of the bodily organism. The state, however, is not a "natural organism" but an "entire value,"¹⁶ inasmuch as the separate parts will demand their intrinsic ranking on the basis of part-values. And this gives us a hierarchy of values which finds its expression through the estates.

The principles by which the hierarchy of values is determined have changed in the course of history. Originally it was the difference between the rulers and the ruled, which formed the higher and the lower estates. Or the distinctions which formed the basis of an estate were external characteristics differently valued. In India the order of rank is established according to the pigmentation of the skin: the whiter the skin, the higher the estate. Or the inward peculiarities of man may be used as the basis for classification: thus we know that Plato graded the three estates in his "state" according to whether the person's blood contained ore or silver or gold. And finally—and this is the principle which has determined the order of value in European mankind—man is graded according to the amount of property at his disposal. According to this classification the economic estate stands first, because it is concerned with corporeal things, that is, the lowest kind of goods. Above these are formed the estates upon whom devolve the defense of country, the pursuit of politics, the cultivation of spiritual and, finally, of eternal goods. The old three-fold division and gradation into provisional, defensive and educational estates goes back to these distinctions.

But whatever principle of articulation one may decide upon, the fact remains that there must be some kind of ranking order before society can be constructed upon the basis of "estates." For every order of rank there must of necessity be a gradation and therefore also a recognition of a higher and a lower order.

And as the different estates must be ranked among one another, so also the members of one and the same estate. To throw the members of an estate into one, undifferentiated, gray mass, is a contradiction of the very essence of all estates. From chaplain to cardinal, from knight to king, from pupil to doctor, from the wheelbarrow man to the industrial leader, from the dispossessed cottager to the great

¹⁶ Spann.

farmer—each true estate must exhibit a well-considered gradation in the individual scale which must also manifest itself in external appearance. The most varied articulation and distinction, according to rank and dignity, is also an essential part of the estate-idea, just as the external marks of the different estates are indicated by dress, emblems, manners, customs, speech and songs.

Obviously a thoughtful articulation of estates in a social order on a large scale is in line with the demands of German Socialism, primarily because the balancing of individual interests is most likely to be thus achieved.

This system of ranking the estates with one another, and the individuals within an estate, will, on the one hand, be just to the demands of individuality. And it is of the utmost importance that individuality should experience growth and development to the highest possible degree. But it can only do so if the order be such that a member serves the whole (the position of an "apprentice" in contrast with the "years of travel"), and if the position in which the individual is placed and operates is so selected that individuality may fully unfold itself. If the individual is in the wrong estate or in the wrong order of rank, he is either too high or too low for his greatest possible achieving capacity; his abilities will of necessity decline, and, as an individual, he will not fulfil the tasks to which he is assigned. On the other hand, through the individualization of its members *the whole* will gain in strength and power. The more incomparable the individual is, the more he stands in the place reserved only for him in the whole order, the more will the idea of unity, in contrast with the idea of equality, be raised to its highest point, so that the whole is also necessary for the individualization of its members.

But these introspections are also the sources which feed the pathos of inequality which is peculiar to all true Socialism. And in the thought of inequality the urge for justice also finds its satisfaction. For whether we agree with Plato and regard justice as compensation or harmony, or say with Ulpian: *Justitia est constans et perpetua voluntas suum cuique tribuendi*"—it always comes to this, to arrange or fashion the tasks allotted to the individuals, and also the compensation which is due to them, *differently*. Each according to his *due*. The command of justice requires this, for where there is equality, there is always injustice.

Let us now see what ideas and ideologies are inimical to the estate-idea, ideologies which cannot be reconciled with it and which must be eliminated if we are to achieve an articulation according to estates. From what we have already said in connection with our discussion on the aberrations in the economic age, we already know what they are:

- (1) the ideology of progress,
- (2) the ideology of equality, and
- (3) the ideology of labor, which is closely connected with the other two.¹⁷

The labor ideology is not easily reconciled with the idea of estates. For, since it aims to emphasize the peculiarities of human society, it must recognize the peculiarities of labor, that is, its specific meaning as the most important fact in relation to the different estates and to the different members within the individual estates. For the peasant, the manual laborer (in all his manifold activities), the lawyer, the doctor, the soldiers, the artists, the educated, the priests, as "laborers" and nothing more, equalizing the differences of men may be justified in a bourgeois or proletarian community which insists upon it: in a community articulated according to estates there is no sense in it whatever. For here the natural facts of "labor," as such, do not obtain, but only the evaluated differences of activities. What the peasant does and what the smith does, each in his incomparable, unique way, is precisely that which should be seized upon and respected by us as something personal, secret and mysterious.

And these differential evaluations should also be extended to apply to labor within the separate branches of industry. It is obscuring the facts of the case to be told to believe that Michael Angelo and his stone-carrier, the great actor and the scene-shifter, Bismarck and his chancery-clerk are "equal" and may claim equal validity, because they perform "labor" in the same sphere of activity.

Labor ideology is one of the show-pieces of proletarian Socialism. It has no place in a community articulated according to estates.

(c) Directions for a Popular Socialization of Germany

The above considerations have attempted to show what an articulation according to estates is. But there is another question that immediately arises, and that is, whether, and, if so, to what extent and along what lines an estate system is advisable for Germany in the

¹⁷ See pp. 81ff.

immediate future. I shall attempt in what follows to answer this question from the standpoint of German Socialism. In doing so we must keep constantly in mind what has already been said above, that an estate system is bound up with very definite conditions, and that these conditions must first be met before the introduction of such a system can be thought of. These conditions are, as we know, a thoughtful legal order and, at the same time, a thoughtful order of values. To begin with the introduction of an estate system before a legal order and a gradation of values are established, would be putting the cart before the horse.

I. The new legal order which we must seek to attain is certainly one which imposes restraints. That means, as we have already shown, that the guiding principle should not be, as hitherto, the arbitrary will of the individual, but a super-individual reason. This demand is not the result of any doctrinaire prejudice in favor of restraints, but of a supreme purpose or plan subject to the policy of a socialistic community: this purpose is the welfare of the whole, a concept which I have frequently elucidated. At all events, it is now evident that the purpose cannot be entrusted to the accident of the arbitrary, individual will.

We have already been able to show that the audacious idea of a fundamentally free legal and political order falls short of madness only if one believes in a prestabilized harmony of individual interests. If this belief falls away—and our time can no longer cherish it—then it follows of itself, that the principle of order cannot emanate from the individual will, but from the common will which is guided by super-individual reason. Then the sphere of activity (not every transaction) of the individual is determined and circumscribed not by himself, through his own authority, but through the state, as the bearer of the super-individual reason. In the community of the future, the individual, as a citizen, will have no rights, but only duties. Neither will the principle obtain, that everything is permitted which is not forbidden, but that only that will be permitted which is expressly recognized as being permitted.

Since the legal and political order must operate primarily in the field of economics, must, at least in its general structure, receive its stamp through the regulations governing economics, I will content myself here with these few general remarks and refer the reader to the section which follows.

Closely connected with what we have said is, as we know,

2. the *order of rank*. We here mean that order of values which is determined through the state and which corresponds to a hierarchy that is in accordance with the interests of the state. Aside from this there will be individual groups—spiritual persons who promote an esoteric culture—who will have their own order of values, and accordingly their own hierarchy, but who will not concern themselves with the state (Klopstock's *Republic of Letters*). The state will always concern itself only with what is useful to its existence.

Therefore, the state should never evaluate individual persons as such, but only the group which represents it. In the order of rank which will obtain in the future, the military (not the Olympic victors) will stand at the head, while the last place will be held by economics. Within the field of economics, agriculture will occupy the first rank. With Aristotle the tillers of the soil and the breeders of cattle were the only valuable members of the *polis*; the others were bad citizens; "for their mode of life counts for nothing, and none of the occupations which a people, composed of manual laborers, shop-keepers, and day-laborers carry on, has anything to do with spiritual or moral activities. Such a population is readily at hand in a popular assembly, because, as it is, they loiter about in the market-place and on the streets." Even today we undertake a gradation of values, depending upon whether it is a small or a large enterprise and assign the latter to the lowest rank in the scale of values: big business, especially big industrial enterprises in their modern intellectualized form, are in every case to be regarded as an evil, even, if under certain conditions, a necessary evil.

A hierarchy of the intellectual sphere, namely science, consequently has the hierarchy of callings evaluated and placed in accordance with their service to the state: military science is placed higher than the history of literature, and so forth.

From the legal order and the order of values, then, there follows
3. the *articulation of the people*.

If I see it rightly, a *mixed social order* is the one which will be demanded for the German people in the immediate future, because of the transitional state in which the people will find themselves for a measurable period: the age of late capitalism, which at the same time is early Socialism, will, I think, last a long time.

There will be *three sectors* in which the articulation of the people will be carried out:¹⁸

- (1) the sector of ideal associations,
- (2) the sector of articulation according to estates, and
- (3) the sector of free associations.

We shall consider them in their order.

(1) The political and religious associations, as well as those of the family, will belong to the sector of ideal associations.

The political associations within the state are the parties. In Germany these, to be sure, have all—except one—come to a well deserved end: well deserved because they had become untrue to themselves, because they had forgotten that “party” comes from *pars*. They had, instead of doing justice to their tasks, that is, serving the state, become nurseries and breeding centers of all kinds of economic and class theories and, wherever possible, anti-political. There is now provided in their place *one* party of service. And, indeed, strenuous. The great difficulty encountered by the victorious party in filling the gaps torn by the disappearance of the rest of the parties, and in converting the population so rapidly and comprehensively to its own belief, and to put to work so many of the unemployed, has created a political apparatus, in the form of an association, which in extent and activity is something unusual. Yet I think we may regard it as a transitory phenomenon. As the government becomes stronger, as similar steps are again taken by other parties, and as unemployment decreases, the effectiveness of political associations will return to their natural limits. And then the two other kinds of ideal associations—the religious and the family—will again come to their full rights.

(2) Where the soil is prepared through a corresponding legal and value order, and business relations permit it, the estate-articulation will come to its own. At all events, for the time being, I see no possibility of calling to life the “complete estate” in the old sense, that is, where the intellectual, functional and privileged groups or divisions are united in one estate. Very likely we must be satisfied with the introduction of part-estates, and accordingly create, on the one hand, a purely mental estate, perhaps a new kind of nobility without definite political and economic functions, and, on the other hand, a purely functional estate without a unified idea, after the manner of the Italian *corporazioni di categorie* or the German “food-estate.”

¹⁸ See p. 55.

There is no more likelihood of the creation of a "vocational estate" than there is of an "estate-state," if by the latter we mean a state in which the estates share in the formation of the will of the state. It is more probable that the state of the future will always be the authoritarian state.

(3) Wherever the old order still rules, where capitalism, in particular, still carries on, an articulation according to estates is out of place. I mean in the sector of free associations. Here, for the time being, things must rest with the old articulation, only that the state must assert its supreme authority over all estates representing interests. It seems to me that here Italian Fascism has found the right way out, which has been indicated in the following words by Mussolini: "The Socialist and syndicalist movement owes its rise to real, not fancied needs. Fascism would have those needs recognized in the state as an agency of law and order and give them validity in the corporative system, in which various interests are harmonized under a unified state." Where conflicts of interests, especially of an economic nature, exist, they must also be brought to a decision. And a strong state need not itself avoid struggles of interests. If, however, it wishes to rid the world of them, it must fill up their sources, namely, abolish the capitalistic, economic system.

Moreover the state of the future must adopt for itself the following golden rules:

Organization is good—no organization is better.

Two organizations are often better than one.

Small forms are better than large ones.

Multiplicity is better than uniformity.

Articulation is better than pattern-formation.

Free group-formation is better than forced formation.

All this under the presupposition that, elevated above all individual endeavor, the sovereignty of the state is enthroned, and that no organization which is called to life by the individual shall be in conflict with the supreme purpose of the state. For that reason the state should have the right of a general supervision.

THE ORGANIZED COMMUNITY

THE state is not only a nation, not only a community; it is an organized community. We will only understand what that means if we form a correct idea about the people who form the state and about the part they take in the state.

I. The Individual and the State

In our preceding considerations the members of a state have been treated only as objects; concerning the conscious processes taking place in them, there has been no discussion. And for the formation of the state these considerations, so far as we have discussed them, are without significance. What individuals have thought, felt and wished, has not hitherto mattered. In fact a nation may be large and powerful without having the population take the least part in it; a state may be articulated according to "estates" in the most careful manner without the individual even knowing to which estate he belongs. Nothing would be more foolish than to form an association, particularly a state, with a "we"-consciousness: just as I do not need to know whether I belong to a stock company—and I do if I own a share of stock—so also do I not need to know to which state I belong, and even much less do I need to know the relations or conditions of the state. I need not regard it or even love it in order to fulfil the obligations I owe as a citizen.

A nation or a community would certainly be in an unfortunate situation if its development were to depend upon the "we"-consciousness and the good-will of the population or the citizens. It is wholly sufficient if these are healthy and perform their labor without rebelling.

The individual receives his knowledge of the state in very many different ways and in very manifold forms, but primarily through the necessity of performing the duties which the state places upon him: he needs papers of all kinds to get through life; he must continually register at some office, must pay taxes, perform his military duties, etc. But the individual also receives knowledge of the state in other ways: through participation in state affairs: in war, in elections; he

receives it through instruction in history, in conversation, through propaganda, and so forth.

This knowledge of the state, which the individual has, determines his attitude toward the state. The thing to note in this connection is this. We must realize that the individual, if he consciously acts in accordance with this attitude, will appear in an entirely new form: he is now no longer merely a part of the population, no longer a citizen, no longer a popular confederate: *he is a person*. But, as such, not a simple, empirical individual, but a metaphysical essence: "a totality which realizes within itself its peculiar structural code, and in this sense can be 'valued' for what it is, a totality which is created in the divine image, through whose mortal coil and temporal life the soul (perhaps better, the spirit—W.S.), and back of it, the divine 'reverberates,' as the original meaning of the word *persona* thoughtfully implies. But the personal element remains, at the same time, the human. . . . By the personal existence of the human element in the people, we mean that there are streams which roar at a depth of human nature beyond which the ethnic, the folkish and the national penetrate and into which one should not attempt to dive."¹ I have permitted the creator of the new folkdom to speak, because I appreciate the value of showing that also, and precisely, in those circles where the "new spirit" is represented, "the old and true" is also heartily "seized upon."

In a most personal decision, answerable only to God, the individual takes the state into his consciousness; and no external power of any kind, not even the state itself, exerts the slightest influence in forming this decision, because it breaks forth from the metaphysical depths. This decision of the individual on his own sovereign authority is the *concept of freedom*, which itself has a metaphysical origin, the concept of German freedom, let us add; we might also say, absolute freedom, because no power on earth can give it or take it away. Our central concept of duty is rooted in this conception of freedom. All expressions of our great men have one and the same meaning:

"Bind me, strong as thou wilt, with a thousand chains,
I'll still be wholly free, despite thy pains."²

"The freedom of the Christian"—Luther's! "Of course we want liberty and should want it; but true liberty comes only through the greatest possible conformity to law," says Fichte. Goethe expresses

¹ Max Hildebert Böhm, *Eigenständisches Volk* (1932): 31-2.

² Angelus Silesius.

the same thought when he tells us that "Only law can give us liberty," while Hegel regards liberty as "the progress of understanding the inward necessity of the world-process and therefore the conscious ordering of the organic unity of the state."

We can only understand the German concept of liberty if we place it in contrast with other conceptions of liberty—the French and the English.³

On the basis of true liberty, which is the greatest personal liberty, the individual decides against or for the state, depending upon whether he is led by evil or by God.

The affirmation of the state may take place in different ways: there are, as it were, different degrees of affirmation, each corresponding to the part of the soul from which it is supported. But affirmation is always born of the spirit. For that reason we must eliminate from our consideration all relations based on the feelings which bind the individual to his people or his country. "German women, German loyalty, German wine and German song" may arouse our emotions; we sing of the "German forest," we are attached to the "German home" (which, however, for the Frisians and Upper-Bavarians bear quite different stamps), but all that has nothing to do with our affirmation of the state; a cat which stays at home also has some such feeling. To base "patriotism" upon a favorite dish, as has been attempted, with the best intention, simply does not hold. For in that case Bakunin would have been right when he called it "*un fait purement bestial*."

No: the conscious procedures which lead to the affirmation of the state are of a spiritual nature; they are intelligence, will and love. What it means is this, that by means of intelligence, or of reason, if you will, we arrive at the point of accepting the state, as such, *in abstracto*, as a necessity. All of Hegel's arguments confirm this view. We must realize that our special interests can only be satisfied in the state, that "my particular purpose must be identical with the general purpose." What Hegel calls "political opinion" bears upon this point. "This opinion is the consciousness (which can become a more or less settled conviction)—the consciousness, that my real and special interest is preserved and contained in the interest and purpose of another (the state) rather than in the relationship to me as an individual—whereby this other one is directly for me none other than the state, and in this consciousness I am free." This political attitude is in

³ cf. my *Proletarischen Sozialismus*, I (1924) : 99ff., and 84ff. in the same book.

accordance with the view, that conditions must be set up in the state and by the state to which my individual existence must adjust itself, that my "rights" are best preserved in the form of duties, that the distribution of rights and duties does not belong to the individual but to the state. But this also means that the state in the form of the nation affords the only possibility of a linking together, and that the national contrasts must conform to a world-plan. If we wish to use a special expression for this attitude, we must designate it as *Nationalism*, which we have already discussed above.

The affirmation of the state, my state *in concreto*, I shall carry out with an intelligent will formed by judgments of worth. It rests upon the belief, if not in my people as the "elect," then at least in the God-given mission of my country. We may call this attitude *patriotism*. And patriotism intercedes unconditionally for its country: "Right or wrong—my country!" Even—and just because—that country is hated, despised and trampled upon by the whole world, as our country is today. The patriot will be paid, as it were, for his unwearied avowal of his state, when it again attains power and respect. Then pride in his country will blossom in his soul, as expressed in the challenging words: *Civis Romanus sum*, or "I am English." (Words, however, which contain the danger of narrow-mindedness or Pharisaism.)

But there is still a third way in which the person⁴ may attain the state, and that is, through love or enthusiasm. To understand what that signifies it will be necessary to place before the reader still other considerations to which the following sub-section is devoted.

II. The Nature and Significance of the Community (*Gemeinschaft*)

What, one may ask, are the effects of the different attitudes of individuals toward the state upon social forms? The answer can only be this, that in so far as associations originate at all, they may appear in a series of intentional associations within the political association of the state. There are the Association of Nationalists, the Association of Patriots and the Association of Enthusiasts, let us say. Have we thereby touched upon those associations which we may call "organized communities" (*Gemeinschaften*) and to which this chapter is devoted?

Let us see.

⁴ Person is here used in the sense explained on p. 213.—Editor.

Gemeinschaft (community) is one of those words that has come into frequent use since the World War and it has been used in very many different senses; and if we examine it in respect of its past usage we shall get more mental exercise than enlightenment. The combinations in which the word *Gemeinschaft* is used by Grimm range from such abstractions as "common destiny" (*Schicksalsgemeinschaft*) to such spiritual and human concepts as "community of saints" (*Gemeinschaft der Heiligen*) and "community of wives" (*Weibergemeinschaft*), and such varied relationships as are implied in a "village possessed in common" (*Gemeinschaftsdorf*) to "protective associations" (*Schutzgemeinschaften*).⁵ To these varied forms and relationships must be added the significance given to the word by Tönnies and followed in the sociological literature of the most recent period and in which little attention is paid to usage.

In view of this ambiguity I shall use it in the polemic sense—though somewhat obscure, yet quite definite as to purpose—which the word has acquired in the spiritual struggles of the present. That is, in the sense of an association emphasizing value, in contrast with all other associations, in which the connection of all externality, of all expediency, of all business affairs, of all rationality—yes, of all things purely earthly—is based on love. We may, therefore, also say that all true communities, all those toward which the longing of the time is directed, are communities of love. However that may be, the word community will be construed in this sense in what follows.

Now in order to understand the nature of the community correctly, we must bear in mind that there is no love apart from God: all love rests in God. All love is love of person to person and projects, as the person himself, beyond this world. If we would limit love to this world, it would be nothing more than natural sympathy, which also unites the lower animals. But how are the spirits to unite in love, either as members of a kingdom of spirits, as parts of an absolute person or as children of a heavenly and earthly father? He who has not experienced this sense of heavenly love, in striking contrast with all feelings of creaturely sympathy, will have no comprehension of what is here called a "community of love." Perhaps a glance over the past of the human race would enlighten him. He would there find that nearly all associations have rested on a religious foundation, and therefore upon a cult, and in the non-European cultures, still so rest:

⁵ Eight lines of the German text have here been abbreviated but not changed in meaning.—Editor.

whether tribe, whether family, whether calling. The middle ages is a particularly illuminating period. The last and lowest association in that period was filled with the consciousness of God, and only because of that, did it have love, only because of that, was it a community.

It was in the modern period that mankind was destined to be torn away from these natural communities of love and, therefore, became isolated. And the searching of our time is manifest in the longing of isolated man for a reunion with his kind in God. Out of this grows the general impulse toward the community-life, that is, toward places of abode in which man in his journey through this earthly life may walk at least some part of the way in common with other equally isolated children of men. The community organizations are, as it were, places of refuge, hospices of the spirit, in which the lonely wanderers may find shelter against the storms and may reshape their lives. These communities for which the man of today is longing are always the spiritual communities, for it is, indeed, the spiritual soul which feels lonely. Being of the same blood, belonging to the same race, the same people, cannot give man what he seeks. For that requires the "brother," and brotherhood is only of the spirit. We are brothers only because we are God's children; and for that reason a community today can only be formed on the basis of freedom. "Natural impulses" never lead to community life. But the sphere of influence of Socialism also ends at the threshold of the community. Socialism is justified and necessary only when there is no real community, that is, when there is no union through love. Love does not require a social organization. "Among brothers" there are no rights and no duties. Charity governs here.

What then is the essential nature of the community, and what are human communities?

Community is an idea which is realized through the conscious participation of individual persons. It is like a house awaiting occupation but which may also remain empty. But the structures in which a community may exist are none other than the three "ideal" associations: the religious, the family and the political associations.

The religious associations are naturally, above all others, destined to receive the souls thirsting for the community life: they are the most real associations.

They have their prototype in the Pentacostal community: "Now those who received His word gladly, permitted themselves to be baptized and were added thereto on that day by 3,000 souls. But they

remained constant in their apostolic doctrine and in their community (*κοινωνία*) and in their breaking of bread and in prayer." That is the *communio fidelium*, "the community of the saints"—which Luther, of course, translated as "commune," considering, perhaps correctly, only the "community," that is, the religious association, as the permanent union, and the organized community as a temporary condition. For one should not confound the church with the "community of saints." The latter forms itself within the church and becomes visible only at times, perhaps in the communion or in times of great distress and emotion during divine service. The religious community is the most permanent among the sects.

Where, aside from the religious associations, free associations appear as "unions" or as similar organizations, they are either not real associations or, if they are, they soon take on a religious character and become religious associations.

The family in itself is evidently not a community. It is merely the vessel into which a community may be poured. A family forms a community only in so far as it is imbued with spiritual love and becomes conscious of its kinship with God.

If, in the above explanation, I have succeeded in giving the reader a proper understanding of a political community, it should be evident that we can apply the designation "community" only to the third of the three intentional associations, which, as we have seen, results from a conscious attitude of the person toward the state. A community arises only when the state is imbued with love. It forms a special aspect of the state, as a nation or a commonweal, of course with this difference, that it does not necessarily, and, in fact, seldom includes all the members of the state. Its significance, as an apparent form of state is, however, none the less real. For it is the community in which the conflict between the claim of the state upon the individual to an unconditional place in the whole and the claim of the individual to freedom first finds its solution. "Political mindedness" and even irrational patriotism are obviously not sufficient to unite the individual to the state "without a seam"; to melt the two into one requires the glow of inspiration. This inspiration may be designated by the deeply penetrating Greek word: *enthusiasm* which, as is well known, signifies the equivalent of "filled with God" (*ἐνθεός*). But inspiration and enthusiasm are only other words for love. And we may find the final solution of the state-person problem in the words of

Goethe: "Voluntary dependence is the most beautiful condition, and how would it be possible without love. . . ."

We have already seen that the state-community is not a permanent condition. It is usually limited to a small circle which frequently forms a party; in revolutionary times it lives in groups of revolutionists and only in times of stress, namely in war, are large parts of the population seized by it. The love-creating power of war is overlooked only by cranky pacifists. But the community idea also operates as a state-forming and state-consolidating factor in quiet times. For, the consciousness that I can at any time enter into a community with all the members of a state, and the remembrance of a community already realized in fact (that is, the fruitful "remembrance of war"), will remain and unite the individuals. As Sunday gilds the week-days with its luster, so should the community reclothe the people in their working days with a glow of peace and joy and remind them that God also lives in the state.

The term "popular community" may be understood in a three-fold sense, depending upon the three meanings which the word "people" may have in this connection:

(1) If people means the people of the state, then a popular community is the same as the state-community here discussed;

(2) if by people one understands an "independent or unorganized people," that is, people in the ethnic sense, then a popular community would be an intentional association, based on love, among members of the same people who do not belong to the same state;

(3) if people means the equivalent of the lower classes, a popular community—under a wrong application of the word "community"—would be an attitude which, through sharing in the life of the "people" (common meals, common dress, common festivals), would express (an anti-class attitude) the different "equalities" of everything there is in men within the limits of the state.

III. How to Win the Individual for the State

Although we could show that the power and esteem of a nation is as little dependent upon the participation of many or, indeed, of all the people, as is a flower of the community, anxious statesmen and philosophers since Plato have, nevertheless, again and again been concerned about the means which would "bind the state together and make it into one." And even in our own time, when one is so prone

to give the state a democratic or—if one shuns that hateful word—a popular appearance, the question has often been raised.

Taking the individual into the state has recently been called—following the example of Rudolf Smend—"integration," and an attempt has been made to set up a whole system of integration-measures. The most important means and methods to arouse the we-consciousness are the following:

1. Meetings of the people for the purpose of making contacts, obtaining expressions of opinion, publishing and praising the aims and tasks of the state: victory celebrations, memorial services with patriotic speeches and songs, processions, historic pageants, "labor camps," children's celebrations, dress parades and the like. In these gatherings music plays an important rôle as an integrating factor.

2. Enlightening, inspiring and inciting propaganda, through word, print and poster, directed to those persons who are not assembled in a single room or who are not assembled for political purposes; pronouncements of leaders of the state or government; articles in newspapers and periodicals; portrayal of the leader of the state in all conditions of life; pictorial presentations of significant events in public life in still and movable form; presentation of patriotic theatrical performances; radio speeches, film-propaganda: the most effective means of propaganda at present. Added to all this, is the permanent and enduring effect of a conscious education of the citizen from the public school to the university.

3. Creating a visible and portable common symbol. The head of the state usually serves as an excellent embodiment of such a symbol, as at present the *Führer*, who may be seen in person or whose picture appears on every possible occasion. In this connection one needs only to call to mind the integrating power exercised by the well known picture of Francis Joseph in white uniform with its green-busted, double masthead, representing the Austro-Hungarian monarchy. Included under this head are also the flags, the orders and distinctions of honor, the placards, the uniforms, children's toys, the celebrations in honor of "great men," the honoring of heroes, living and dead, and many other things.

And to all this must be added, as integrating factors, the performances and demands of the state, which have already been mentioned, in the form of taxes, laws, elections, the paying of internal revenues, the support of the unemployed and, in the case of enslaved peoples, the paying of tribute, etc.

Now if the question be asked, whether and to what extent these various integrating attempts achieve their end, the answer may not be readily at hand. With a people, such as the Germans, who by their nature are inclined to carry on an individual economy, who are non-political, unwieldy, inclined to be critical, as we know, all attempts at a harmonizing influence will meet with far greater resistance than they would with an easily aroused and credulous people, such as the Italians. But for that reason the effect might be more permanent, if the integrating policy were directed to proper ends. What would be most likely to be developed in our people, is a nationalistic, and at all events, a patriotic feeling, both of which, as we have seen, depend more upon an attitude of reasonable understanding. We are little inclined to enthusiasm. But one thing must always be kept in mind: a real community cannot be "created" by artificial means. In fact it cannot be created at all. All that we can do is to keep ourselves in readiness to receive it. If it is granted to us at all, it will be an act of grace.

Finally, by way of consolation, we must say that the whole integration-procedure is not very important. That the state becomes powerful and flourishing, and that the people in it lead decent and honorable lives and do not quarrel with their destiny—that is the important thing. Then nationalism and patriotism will manifest themselves often enough. To attain this end, an order, such as German Socialism strives to obtain, may well contribute its share. The observations in this section are intended to show how this order is to form the life of the state. It still remains for me to give the fundamental basis of a reasonable order in the second great sphere of life, that of economics, which I shall discuss in the following section.

PART VI
ECONOMICS

PART VI
ECONOMICS

INTRODUCTION

THE largest amount of space in this book is devoted to a presentation of Socialism in its application to economic life, or, to put it briefly, to economic Socialism.

I have repeatedly emphasized the fact, however, that the idea of Socialism is by no means confined to the regulation of economic life, but that it pervades collective social life wherever that exists. Economic Socialism forms the central movement, as it were, in all Socialism, because the economic life forms the essential content of all life which exists within the province of the state and which needs regulation. All other speculations about human society—beyond the realm of economics—lie at the periphery of Socialism.

If economics accepts both the spirit and order of Socialism, as it should, its form will depend upon two conditions: the particular kind of technique and the particular kind of goods needed. These are the two elements from which an economy is constructed, and to which, for that reason, I shall devote the first two chapters of this section.

I may add, that both of these spheres extend beyond the field of economics, as will be seen in the treatment which I shall give to them. But the reader, I hope, will have no difficulty in keeping the two sides of the problem separate and will give to economics its due.

CHAPTER XVI

TECHNIQUE

I. What is Technique?

TECHNIQUE in general signifies procedure. By technique I mean all systems (all complexes taken as a whole) of means which are suitable (or regarded as suitable, for there is also "bad" or "wrong" technique) to the achievement of a definite purpose.

In general we may characterize technique from two points of view, namely, the kind of means applied, and the purposes to be realized.

The means may be merely the powers and abilities which exist in the human organism, and which are used or cultivated in order to shape procedure (technique) to a desired end. Here we may speak of organic technique (vital, formal technique). The technique of song, speech, yoga, fakir, dance, boxing, wrestling, love and business comes under this head, and even nautical and war technique, but *without* the application of objective means.

Or the means employed to realize a purpose may consist of definite things or "instruments" which by their employment serve their purpose. In this case we may speak of an *instrumental* or real technique (material technique).

Differentiated according to purpose, there are as many different kinds of technique as there are purposes. And they may be classified or grouped according to the different spheres of culture and, within the separate cultural spheres, according to the different spheres of purpose. For example, there is the technique of war, of medicine, of science, art, economics and transportation (riding, driving, sailing and flying). Organic and instrumental technique are, of course, both applied at the same time in every sphere of purpose.

If we employ the word "technique" without any special designation, as we would, for example, in speaking of the "place of technique" at a given period, west-Europeans will have in mind instrumental technique (which we cultivate in contrast with eastern peoples) and, in fact, we shall have in mind the technique by means of which we use finished products for definite purposes (e.g. flying) quite as much as the technique which serves for the creation of real objects. We may designate the technique of production or of economics, as

real or primary technique, and all other technique, as instrumental or secondary. How the technique of war or the technique of flying is to be fashioned, is exclusively determined by the technique of production, for it furnishes the instruments by which the technique of war and flying is served. The manufacture of cannon, the production of smokeless powder, the construction of warships, or, to take another line, the invention of the internal-combustion motor, the production of light material, as aluminum or special silk textiles—two lines of production which create the possibility of conducting a certain type of war or the possibility of moving burdens suspended in the air.

A "technician" (*Techniker*) is one who has knowledge of the correct methods of procedure in connection with these considerations, and, in particular, a knowledge of the means of procedure in instrumental technique; more narrowly defined, in production technique; still narrower, in industrial technique, and in the narrowest sense, in mechanical technique.

In the technician knowledge of the correct choice is something apart from the actual work of creation, just as in the employer the organizing functions become independent (while in the peasant, and the ordinary manual laborer, all capacities and activities necessary to the production of goods remain united). Now the technician is *at the side* of the creative worker, the "producer"; the latter uses the knowledge of the specialist; of the "spetz," in the Bolshevistic dialect.

In addition to the objective concept of the technician, one may also distinguish a subjective concept which expresses a distinctly mental *attitude* characteristic of a person whose interest is directed to the correct selection of means, but who forgets about the means to the end.¹ Concerning this peculiar attitude of the human mind and of the persons who share it, we shall learn more when we come to deal (in the third sub-section of this chapter) with "the technical age."

The first technicians arose as builders in the field of architecture, and as engineers—that is, experts in machine-building—in the field of war-material technique. I have in mind Archimedes, Leonardo, Tartaglia, Regiomontanus and Albrecht Dürer. Obviously the first technicians appeared here, because in both of these fields instrumental technique was so complicated that the "producer" alone could not master it.

¹ E. Spranger.

II. The Peculiarity of Modern Technique

One might think I had said and written enough during my life about the peculiarity of modern technique. But an examination of the most recent modern literature convinces me that the ideas which I represent are little known and that there is still much groping in darkness. Even the best informed have nothing important to say about the nature of modern technique; the discussions about it suffer, above all, by reason of being largely one-sided: all see the peculiarity in mechanization and represent the machine as the striking characteristic of modern technique. That is a mistake. The machine or, better, the machine principle, is as old as technique itself; it attained, it is true, a high degree of development in modern technique, but that only forms one element of its peculiarity. It would be without significance except for other important elements: the steam engine and the railway would never have wrought their revolutionary effects without the coke-process and the Bessemer-process; the spinning-jenny would be a museum-piece without the process of bleaching by chlorine; the airship and airplane would not be what they are today without petroleum and benzine. The whole problem is: to bring all these inventions and procedures to *one* denominator, to reveal the common "spirit" from which the whole idea of modern technique originated and to show the general principles upon which it rests—in other words, to comprehend the *style* of modern technique correctly.

The special peculiarity of modern technique, which distinguishes it from all earlier technique, is manifest in two fundamental ideas which govern it: in a formal and in a material principle. I have designated the one as the new spirit, the other as the new way. In the following I shall explain, in all brevity, what is involved.

The New Spirit:

Modern technique is the twin-sister of modern natural science. Indeed the essence of the two is fundamentally the same: it is the modern view of nature, now seen from a theoretical, then again from a practical point of view.

The peculiar characteristic of the European mental attitude is this: that theory and practice are inseparable, that they flow into one another, mutually condition one another. Modern natural science is the creation of the practical will to conquer. When the people of whom Francis Bacon dreamed in his *Nova Atlantis*, founded an academy—Solomon's House—its purpose was said to be "to study the hidden

changes of natural objects in order thereby to extend the boundaries of human dominion. . . ." And the method of thinking of all authoritative men has remained so to the present day. Just the reverse, modern technique cannot and will not advance a single step without the panoply of natural science.

In view of this essential connection between natural science and technique, it is idle, yes, a fallacy (which I myself once committed) to ask which of the two was genetically the earlier, which one produced the other. They are, in fact, one and the same, and therefore their development is the same.

We can, for that reason, trace the stages of modern technique in broad outlines from the stages of development of knowledge in natural science, thus, for example:

In *mechanics*: the foundation of modern mechanics by Galileo and Newton; the establishment of analytical mechanics by Euler, Maclaurin and Lagrange; the establishment of the theory of energy by Poincaré (rotation-theory), Robert Mayer and others;

in *chemistry*: the establishment of modern chemistry by Lavoisier and Priestley; the forcing of chemistry into the organic world by Wöhler and Justus von Liebig; the establishment of stereochemistry (spatial chemistry) by Kekulé and van't Hoff;

in *electricity*: the establishment of the theory of electricity by Faraday and Ampère; the establishment of the theory of conduction by Gauss and Weber; the establishment of the theory of electric waves by Maxwell and Hertz.

In so far as modern technique is built upon the results of the natural sciences, we may say that its procedure is a scientific procedure. This is, formally expressed, the characteristic of modern technique.

The determining nature of scientific procedure may be best understood if we try to comprehend it in its parallelism with the fundamental trends of thought in natural science.

The fundamental idea of inorganic, exact science is doubtless this: to no longer comprehend the universe as the expedient handiwork of a god (who labored six days, as an earthly hand-worker, who rested on the seventh day and said that what he had made was "good")—that is, not from the point of view of finality and of a creation emanating from the highest personality, but as a system of relations whose separate parts, as the whole, are soulless and are held together through inherent "nature conformable to law."

“Ever for her artist’s fame unheeding
 Like the pendule’s strokes as dead as clods,
 Slave, to the law of gravity acceding,
 Nature, sundered from her gods.”

“Fühllos selbst für ihres Künstlers Ehre
 Gleich dem toten Schlag der Pendeluhr,
 Folgt sie knechtisch dem Gesetz der Schwere
 Die entgötterte Natur.”

So too modern technique conceives the process of production as a world in miniature which, released from the personal creative power and the cooperation of man, unfolds itself according to natural law. In place of a definite process of organization, elaborated through a living personality, there is only a corporeal structure, expediently organized with a view to a desired result, functioning independently. The task seems to be: “to substitute mechanical science for hand skill.”²

The elimination of divine attributes in natural thought corresponds to the dehumanization in technical thought. The ideal achievement of the dehumanized, spontaneous, technical process appears in the chemical industry; but the mechanical industry also approaches this ideal, inasmuch as the labor-undertakings formerly brought to unity through personal operation were dissolved into part-processes and a mechanism constructed according to natural law was created to carry out these processes.

Whether natural science thinks of the world as mechanism or as chemism, technique artificially creates a world which unfolds according to a formula set up for the universe by natural science.

The practical consequences of this new fundamental conception for the attitude of man toward the technical process are extraordinarily sweeping, as will be shown.

The New Way

which modern technique is taking is marked by the fact that it likewise introduces a new principle in technique, and, under conditions, makes it the leading point of view. This principle is the removal (emancipation) of control from the barriers of living nature.

This removal of control may be considered from the three sides which come into question in every technical process: in the use of

² Ure.

material, in the application of power and in the selection of methods of procedure.

Indicating the change in relation to *material* in simple terms, we may say that the center of raw material has shifted from one point to another. The chief raw material of *all* earlier periods—which also means of all technique—which preceded the modern world (at least in the northern countries) was wood: the material culture which preceded the present, came from the forest: it bore a decidedly wooden stamp. The chief raw material of modern technique, on the other hand, has become coal from which the heat and light rays stream in all directions.

If we put this idea into a schematic form we shall see more clearly what takes the place of wood and what coal displaces.

Wood is displaced:

1. as working material: by iron and coal;
2. as heating and lighting material: by coal (and carbon filaments);
3. as auxiliary material: by coal in melted form, etc.

Coal displaces:

1. all animal and vegetable lighting material;
2. all animal and vegetable heating material;
3. wood, as auxiliary material (through the winning of iron).

The conviction continually forces itself upon us, that here, in the discovery of the coke process, lies the key to an understanding of the modern period.

The earlier use of power, that is, before the new technique had wrought a change, was conditioned as follows: in so far as the power which was used could be freely created and freely increased, it was organically connected: either with man or animal. In so far as it was organically connected, it was bound to a place, that is, it could not be freely created and freely increased: it depended upon the wind or a waterfall.

Modern technique, on the other hand, disposes of these powers not only when they are freely productible and freely multipliable, but also when they are creatable without the aid of the organizing process of nature. These kinds of powers we call mechanical powers. And in the employment of these powers the same procedure of removing control takes place which we observed above in the use of raw material.

The mechanical powers used by modern technique are, as we know:

1. the power of steam: the tension of water vapor;

2. the power of electricity: the tension of the electric current;
3. the explosive power: the power generated through the rapid burning of certain gases.

Finally, in the *formation of procedure* we may observe at present the following tendencies: While the organic procedure remains fundamentally the same, the chemical and mechanical procedure show a tendency toward the emancipation from the barriers of living nature. This tendency is observable, on the one hand, in the application of inorganic material and powers³ which conceivably determine also the nature of procedure and which are only recognized in their practical applicability to procedure; on the other hand these tendencies are observable in the removal of control from the human organism through the elimination of human cooperation.

But this happens chiefly through the use of machines, for the mechanical principle is the replacement of human labor (whereas instruments support human labor). But that the machine plays a decidedly important rôle in modern technique, is, of course, not to be denied. If now the machine is, in fact, as old as technique itself, its special significance in our own time can only lie in the approximate essentiality (in German: *der Modalität*) of its application.

But I view this chiefly as follows:

(1) Our own period *wants* the machine, a thing which no earlier period wanted: therefore, the generalization of the machine-principle;

(2) In our time many especially important machine-systems have been perfected: therefore, the increasing effectiveness of the machine-principle;

(3) It was reserved for our own time to create machines by means of machines: therefore, the possibility of a far-reaching realization of the machine-principle.

In view of these various considerations, perhaps one has, after all, the right to refer to our age as the "machine age," but one must always keep in mind that in the machine-principle only a part-view of modern technique is revealed, of which we can gain a deeper understanding only when we shall have correctly recognized the inward nature of this strange technique.

III. "The Technical Age"

Our age is also called the "technical" age—and properly so. But what does that mean? Obviously this designation cannot mean, what

³ See above.

many think, that now "technique" has appeared for the first time. It is nonsense to characterize the discoveries of the eighteenth century as "a *first* bold advance in the realm of technique." For technique is an attendant phenomenon of man and consequently always existed. It would also be inaccurate to call our age technical because it shows a "highly developed" technique—for how would one measure a high degree of technique? Nor would it be any more enlightening to speak of a technical age because it acquired a peculiar kind of technique—the "modern."

Rather we must discover some special peculiarity in our age, which stamps it as the technical age. And this can only consist in the fact that technique occupies a particular place in our period. And that is actually the case. And, in fact, we must recognize this special position of technique, not merely because it is held in high esteem (that would be too indefinite), but because this esteem goes so far as to value technique for its own sake without regard to the purposes which are to be realized through it. In other words, our age is an age of technique because, concerned with the means, it has forgotten the ends; or, to express it differently, *because it sees in an artificial formation of means, final ends*. And so it is a question, first of all, concerned with the high valuation of instrumental technique, which is in vogue with us at present.

It expresses itself in the "general interest" in technique, which we find especially strong in the youth who are forced away from literary and artistic occupations and are occupying themselves with technological problems. They—and "man" in general—are no longer interested in serious study, but are very enthusiastic about the construction of a flying-machine or a radio apparatus.

Symptoms of this "general interest" in technique are at hand in much of our literature. In a recent number of a creditable journal there appeared a long article reporting the progress made in the production of automobiles and in which we are told "to think only of the four-wheel brake, the low-slung frame, the stream-lines, the full-beam light, the eight-cylinder motor and more!" The publisher of this excellent journal must, of course, assume that these things will interest a large number of readers, and in a succeeding number will no doubt give us articles reporting in detail upon the progress in the production of shoe-polish and mouth-wash.

The great value placed upon technique expresses itself further in the imposing position of the "technician," especially of the machine-

technician, of the engineer and his mode of thought: the word "technocracy" could only have originated in our time. But it expresses itself, above all, in the general admiration of great technical achievements: the flying-machine, the airship, the fast railway trains and ocean liners, wireless telegraphy, television, the rotary press, high buildings and great bridge-structures—in short, in the admiration of the enormous quantity of apparatus, as means, which our period has created. All this *without* asking as to the purposes to be achieved, *without* testing the values which are to be realized through these means.

By way of illustration: We admire the airship despite the fact, that we know that it merely serves to expedite the arrival of a couple of unimportant persons and unimportant mail in a foreign country; we admire the "*fliegende Hamburger*" without being clear as to whether it makes much difference whether one arrives in Hamburg an hour earlier or later; we admire the rotary press and the paper machine without thinking that very likely they merely serve to dump upon the market a mass of tedious newspaper gossip or some kind of trashy literature; we admire high buildings, although we know that they have no other purpose than to provide office rooms for stock companies or living rooms for a mixed mass of humanity. Here, in architecture, the peculiarity of our time is strikingly evident: hitherto the artistic structures had been the tombs of kings or the places in which they held their courts or the community hall, or they served sacred purposes: as cloisters for the contemplative life, as temples or cathedrals for the service of God; today the artistic building serves as a business office or it has no meaning at all other than that of being "a masterpiece of technique." Symbolical of this is the Eiffel Tower; it is a real "Tower of Babel" (which itself was an expression of a technical age): they built it "in order to make a name for themselves." Nor is it without interest to note the kind of names given to our "art structures": in the case of the Eiffel Tower the name was that of the inventor; in other cases the building is named after the owner of a "Ten Cent Store" or a sewing machine factory or a newspaper publisher or an oil corporation.

How deeply the technical idea of our time has penetrated the blood may be seen from the fact that the over-valuation of technique has extended itself over all spheres of our culture and has placed its stamp upon every sphere.

Our time has coined the expression, "*L'art pour l'art*," which certainly, in the last analysis, means nothing other than that in art the most important thing is perfect execution. The mere "ability" to do a thing passes as the highest praise of an artist; and the statement of Max Liebermann, that "a head of cabbage is a subject quite as worthy of the artist's skill as a Madonna or an act of heroism, if only it is painted well," found general acceptance.

In literature technique likewise attained a dominant position, indeed, to such an extent that in a play or a novel nothing remained at the conclusion except technique—often a very admirable technique—but from which all sense of soul and spirit had been banished. But the upshot of it all goes back to the fact that the spectator or reader is interested only in the technique of a theatrical performance or of a novel, where it should not receive the least consideration. Even a man like Theodor Fontane could once write: "He who is able to follow every stroke of the brush and can recognize line after line, whereby this kind of treatment of material is distinguished from every other kind, has a greatly increased enjoyment, but an enjoyment from which it is difficult to convey a concept to the uninitiated."

The same is true of music, both in its productions and its rendering: The greatest happiness of the musical snob is to sit at a concert with the score in hand! And the latest scream: the wholly senseless performance of an orchestra playing in a film!—as a theatrical performance, stark nonsense!—yes, in the last analysis also nonsense for the reproduction of scientific and philosophic achievements. And finally, it seems to me, that the over-valuation of organization, which is cultivated for its own sake, is nothing more than a characteristic of our "technical age."

Everywhere: the worship of the empty shell, the disregard of the essence.⁴

IV. The Effects of Technique

When modern technique began its victorious course, most people hailed it with enthusiastic hope. It was generally expected that it would free, satisfy and bless mankind. Goethe, who saw only the beginning of it, was one of the few who viewed the future with sober eyes. "The educated world aims at all possible facilities of communication to surpass itself, to overeducate itself and thereby to persist in mediocrity. And the result of generality is precisely this,

⁴ cf. also Chapter III.

that a mediocre culture becomes common." That is what he wrote to Zelter on June 7, 1825. And yet he did not suspect the worst, all that European humanity has experienced since then, and what I have indicated in the first section of this book. Now there are many, unappreciative of modern technique, who would lay all the misery of this period at its door, who see in our misery an "effect" of modern technique. That is, of course, not entirely clear thinking. How can technique "effect" anything in social life—when all effects proceed from motives—otherwise than through men who are served by it? What it does effect is not technique but men who apply technique. Therefore, those are right who speak of it as unjust—better, non-sensical—this miserable condition in which European humanity found itself at the end of the economic period, and for which we—including many "technicians"—without further question, blame technique and hold it responsible. But the fact remains, that business men only are responsible, and if we have fallen into a culture-misery, they only must bear the "blame," because we were a cultureless race with low instincts; we have brought about—in part with the help of modern technique—all the misery of which we now complain, and primarily because economics pursued entirely wrong paths and because we placed ourselves under the spell of that economics. "It so happened," writes one of our earlier technicians, "that technique, which, according to its idea, is destined to serve man, to fashion his life more beautifully and to enrich his culture, became the tool of domination and of the profiteer; it permitted its victims to waste away and to spiritually starve and it deeply wounded the cultural and social body of our people."⁵

That is to say, it was the wrong *application* of technique, and our criticism should be directed to that wrong and not to technique itself. It certainly would be unjust to condemn a grand piano because a bungler plays upon it or because a conservatory student disturbs my rest with ten hours of finger practice.

In other words, if we speak of the "effects of technique" we must understand something special by it: not "effects" which *may* but *must* enter into it, effects which are necessarily connected with a certain kind of technique and which are unavoidable when that kind of technique is put into general practice.

⁵ Richard Grammel, *Technik und deutsche Kulturentfaltung in dem Sammelwerke "Deutschland in der Zeitwende"* (1934) : 95f.

Perhaps, instead of effects, it would be better to refer to them as the *necessarily attendant phenomena*. A further distinction to be kept in mind concerning modern technique is, whether the condition in question represents only a present and passing phase of technique, or whether it concerns a form with which it is always connected; and further, whether it is a question of a limited or an unlimited use of certain possibilities in technique (for example, speed).

In what follows I shall attempt to point out the most important of these attendant phenomena, without which there could be no modern technique. They are:

(1) the securing, generalizing, and increasing, of technical knowledge—a necessary consequence of scientific procedure;

(2) the turning away, and detachment from, living nature. And, connected with it, is the tendency to become independent of place and time of the year, that is, independent of the rhythm of nature. Socially this tendency signifies an increasing transference of production from the organic to the inorganic—mechanistic sphere. And that means that every application of modern technique effects the removal of the production of bread from field and habitation to factory and mine;

(3) the creation of a new human type that is more intellectual, more severe, and more disciplined than all earlier races, because modern technique is built upon precision and men in its application are not dealing with human souls but with dead objects: slave-oxen—horse-drivers—chauffeurs!

(4) Production in round-about ways, the erection of large apparatus of means—a tendency which is not wholly without a counter-tendency: automobile against railway.

(5) Collectivization of necessary supplies produced by modern technique, as water, gas and power, and thereby an increase of uncertainty and want of freedom;

(6) a tendency toward great industry, since the largest, and even the smallest, industries apply modern technique to a considerable extent.

Other attendant phenomena which we are accustomed to see appear in connection with modern technique, I do not regard as a necessary part of it; among them are:

(1) the intellectualization of industry, at least not necessary in its present extreme form, as in Taylorism or in Fordism.

(2) the increase of productivity, which in the future is likely to set in less often and in a continually weaker form.

(3) the continuous revolutionizing of technique, which goes back to the numerous inventions primarily forced through capitalistic interests. There is no reason to believe that this may not sometime cease.

V. The Evaluation of Technique

In the struggle of the spirits over modern technique there are two fronts which stand abruptly opposed to one another: those who repudiate modern technique as a whole, and those who accept it as a whole. I cannot count myself with either of these two groups and I regard their bases as untenable.

The repudiating attitude, in view of the many injuries which mankind has experienced through modern technique, doubtless deserves our active sympathy. It may readily be understood if one brings into causal connection the decline of west-European humanity with modern technique, the beginning of which goes back to the fourteenth and fifteenth centuries, and thinks of its beginnings in connection with the three inventions which have been particular enemies of culture—gunpowder, the compass, and the printing press. For these and similar inventions, following upon the heels of the abandonment of the geocentric world view, have severed the connections which mankind obviously needs to create what we call culture.

From the practical, techno-political point of view such a fundamental repudiation of modern technique could no more be considered than the repudiation of all technique in general, because there is no power on earth which could completely destroy a development of centuries.

And this consideration has, in fact, furnished the fostering soil upon which various apologetic conceptions of modern technique have grown, which, of course, the sunshine of sympathy helped mightily to flourish.

The theories which are to justify modern technique in every form, especially in its recently developed form, bear in part a fatalistic, in part a voluntary and in part a mixed stamp.

The fatalistic theories, which today are also called existential, say: "It came as it must have come." It "developed" itself above the heads of men by virtue of its "automatic adaptability": it is "our fate." Toward this unavoidable fate, then, the different theories take

different views: some make a virtue of necessity and see, happily, a higher human type proceeding from the adjustment to modern technique, for example, the "laborer," as Ernst Jünger calls him, to whom the management of modern technique signifies nothing other than the continuation of the "conflict-material" of war.

Others let necessity—be necessity, but elevate themselves above it and out of the *misère* of the daily tasks through the "redeeming" thoughts, above the demon technique, see "the shining promise of world reconciliation come to pass in Jesus Christ. The tragic of technique remains, but, in the light of forgiveness and redemption, we will no longer break under it inwardly. The fault remains, but in the light of reconciliation we can live on under it as honest men."⁶ Still others know how to turn everything to the best account, since they regard "that which exists" as the emanation of the world-spirit and, therefore, simply as "reasonable."

From our voluntary point of view we deny fatalism and existentialism, as we have shown in another connection.

But there are also voluntary apologists of technique, especially of modern technique. According to them it could have come otherwise than it did come, but it is good as it did come; we can do nothing better than to pursue the path which modern technique has hitherto established.

Some say, because it is the path of "progress." What relation it has with this ideology, we have already seen in another connection: it need not be considered here.

Still others say, because technique in general, but in particular modern technique, is the best means to fulfil the task imposed on man, namely, to denaturalize the earth or—what is the same thing—to rationalize. This view doubtless goes back to Fichte who stated it as follows: "Thus nature should become ever more visible and transparent to us, even to its inmost secrets, and the noble human power, armed with its inventions, should rule the same without difficulty and, having once won it, peaceably maintain the conquest. Gradually there should be no great need for the expenditure of mechanical labor, other than the body needs for its development, education and health, and this labor should cease to be a burden, for a reasonable being is not destined to be a burden-bearer."⁷

⁶ Lilje, *Das technische Zeitalter* (1931) : 110.

⁷ J. G. Fichte, *Die Bestimmungen des Menschen* (1800) : 324.

I have found this view represented in the most extreme form by the late Fichtean, Hugo Münsterberg, who glorified the technification of the world effected through capitalism with a truly dithyrambic verve: "Where once one chimney smoked and now a thousand flues bear witness to useful (?) labor, it is plainly evident that great progress has been made through which the world has become better and more valuable."⁸

Since I cannot accept the Fichtean presuppositions, deductions from it must also fail.

Finally, especially in the recent period which most of the "philosophers of technique" have lived to see, the Kantian, and, to a less extent, in connection with it, the Nietzschean philosophy have been summoned to justify modern technique in all its activities. According to this view the "meaning of all technique" is to be "freedom of the spirit in the positive-creative sense of the word"; its mission is to consist in the "realization of ideas" through which a "fourth empire," in addition to the three Kantian empires, is to be created, and its essence is to express itself in the "will to power." I believe that neither the Kantian idea of freedom nor the Nietzschean "will to power" has the least to do with technical perfection. Both ideas become shallow if one interprets them in this technical sense. If one still had in mind the Yoga-technique there might be something to say for it. But it is difficult to see how the idea of freedom or power is to be realized in the perfection of instrumental technique. Above all, it leaves in the dark *who* will be free and *who* will get the power: whether the inventor, the maker, or the consumer of bouillon cubes, for example. It seems to me that freedom and power are by far greater in case of renunciation of a technical achievement than in case of use.

In very recent times an apology of modern technique has been attempted with the aid of the Old Testament in which the proof for or against fatalism and voluntarism holds a middle course. In a very readable booklet, already mentioned, in which a theologian attempts to explain the problem of modern technique we read: "On the basis of its divine origin and its divine determination all things have their positive, ethical value and for that reason technique, from its very nature, is good, must be good. There is a promise in the Bible which in all seriousness we accept literally, according to

⁸ Hugo Münsterberg, *Philosophie der Werte* (1913): 356. cf. all of section 10 in the same work.

which all labor, which is directed to the control of this world, is the execution and continuation of the divine will of the Creator. The sooner this Biblical declaration finds acceptance, the more distinctly will the great significance of technical labor come to the fore.”⁹

A criticism of this view is contained in classical form in the very book mentioned where it reads as follows: “It is a law of God’s order of creation, that all serious human labor can only be life-creating, life-demanding, but never life-destroying. This great life-affirming sense of labor comes into particularly distinct prominence in the face of technique. Technical labor completely loses its meaning and ends in complete dissolution if it does not admit, under the creative law of God, that He has given all labor. . . . That is the peculiar devilishness of technique, that it works destruction with an entirely different, doubled—yes, with a more manifold power than all other human action, if it falls into the service of evil.”¹⁰

The correct conception may be indicated thus: Technique is culturally neutral, morally indifferent; it may serve good, and also evil. Every case must be decided by itself; and one may judge how fundamentally different the cases may be! By way of illustration, I will cite two cases of technical “achievements” in which our judgment of value is given for the time being only. We are accustomed today to make and carry out everything which can be made and executed. A childish viewpoint, indeed, which older peoples, such as the Chinese, have long since overcome. Now it is not at all inconceivable that in the future an invention may be perfected and then placed in a museum where one may express one’s admiration purely as such for the creative power of man without being necessarily burdened with the connection of the disadvantages of the use of the invention or without giving offense through the devaluation of a noble work. Take, for example, the phonograph, the radio or the telephone in a museum: the achievement of the human spirit would be the same as when they are in use and life would flow on far more calmly. Think of the “Graf Zeppelin” in a museum, after its proud journey around the world, instead of serving in socage, as now, the lower business interests: how much greater would be its share of fame! If then, on great national holidays, it made circular tours through Germany, what joyous shouts it would receive! Now it seems like a noble steed which, like the ass, carries sacks of grain to the mill.

⁹ Lilje, *ibid.*, 72.

¹⁰ *ibid.*, 77, 107.

In order to avoid a planless, causal discussion, in view of the manifold number of cases, it may be well to devise a scheme for evaluation which may serve as an indicator of one's position. The evaluation must take into consideration the differences which result:

(1) from the spheres of interest: the evaluation here given is from the standpoint of totality, for the interests of the individual are not taken into consideration; the spheres of interest are: religious, military, political, national health, productive power, spiritual interests, such as art, science, etc.

(2) from personal interests: the evaluation results from the standpoint of the individual, as a psychological valuation. Under this head must be considered the effects of technique

upon the producer—objective and subjective;

upon the consumer;

upon the third party

whom it affects,
who submits to it,
who admires it.

While the effect upon producers and consumers may usually be unequivocally established, the effect upon a *tertius gaudens*, who is often a *tertius dolens*, is often very different: admiration, fear, aversion, may often be connected with one and the same technique and must be taken into consideration;

(3) from the modalities of the application: the question is

by whom?
where and when?
to what extent?

a technique is used.

VI. The Taming of Technique

That technique—especially in its present high state of attainment—is of decided significance for our situation as a whole, no one can doubt. In view of this fact, the attitude of the state toward technique seems perfectly unintelligible. It looks on without raising a finger and beholds the formation of our material culture being given over to the arbitrary discretion of a group of inventors and smart business men. It is well known that at present—aside from a few exceptions which are essentially limited to war-technique—the technique which

finds application is that which promises the capitalistic employer a prospect of profit. In fact only those inventions are perfected or manufactured which guarantee this prospect. A "good" invention is a "profitable" invention. But as a rule all inventions are profitable which satisfy a mass demand; whether they are valuable objectively or subjectively, that is, whether they meet the condition which satisfies any one of the above mentioned viewpoints, is never questioned. And the state, while placing under control the dispensing of bodily poisons, as a matter of course, views without alarm the far more dangerous poisons of the soul and spirit which are administered in mass quantities to the body politic.

That is an intolerable condition which urgently demands a change. This view is, fortunately, gaining new ground; and in those very circles where admiration for technique lies nearest at heart, voices are raised which are demanding a "taming" of technique. I shall here again quote the words of one who is not in danger of being considered an enemy of technique and who, on this point, speaks as follows: "Why should what the great cultures of the past have succeeded in achieving—fashion a technique which promoted culture—be denied to the cultured peoples of the present? Where is it written, that the creative impulse in the human spirit, from which all and every technique sprang, should become the curse of man instead of a blessing? What are a hundred years in the cultural history of a people? . . . We must become clear on this point, that one of the great duties of our time is to again restore the disturbed reciprocal relations between culture and technique. The preliminary condition to a solution of this problem is a proper knowledge of the aim to be sought and the way which leads to that aim; but retrospective accusations will not avail, nothing but forward-looking, actual planning can help us. . . . The cry of anguish over past sins cannot rescue us, but only the determination to improve conditions."¹¹

These are golden words which should be engraved upon the heart of every statesman.

Now so far as the kinds of planning or the forms of "taming," are concerned, they are prescribed in the very nature of the problem. Obviously the state must have the supreme supervision. But the measures to be taken in order to "restore the reciprocal effects between culture and technique" must be of a very diverse kind.

¹¹ Richard Grammel, in work cited above, 97.

A good deal of the harm, I think, can be obviated through police regulations which have for their object the mitigation of the disturbance of peace and order, the committing of grave nuisances, the disfiguring of the landscape and the like: compel airships to fly so high that they can neither be seen nor heard, for it is in fact a "gross nuisance" to have airships regularly, between 11:30 and 4 o'clock at night, fly low over our quiet suburbs, so that thousands who need rest are awakened from their sleep; and even in daytime these "buzzers" of the air make themselves disagreeably noticeable and should be called to order. Not only streets but entire landscapes in certain areas should be closed to automobiles and motorcycles; in fact, every landscape with a peculiar scenic charm should exclude them; the parks and gardens of industrial works should be established only in places where they cannot be injured; the spread of all noise, due to the application of technical machines, should be prevented; protective labor regulations should be extended to protect the health and life of laborers against dangers, etc. All this should be taken for granted in a cultured country.

Then too, precautionary measures must be taken which will fundamentally prevent technique from going astray. Every invention should be registered and have its value proved: the patent office should not merely serve private hereditary interests, but, first of all, the public interests. A supreme council of culture, which should include technicians with advisory powers, should decide upon the admission of inventions. The council should decide whether the invention should be annulled, put into the museum or put into practice. And, as in case of its admissibility, so too is every invention to be controlled with respect to its possible effects. The inventor should be honored without regard to the business results of his invention, and quite aside from the fact as to whether it is destined for the museum or for life. The inventive fever would thereby recede, on the one hand, but, on the other hand, the human spirit would be turned from the foolish, useless, secret inventions and directed to the invention of more useful and noble things. The list of desirable inventions would constantly be made known and the present chaotic condition would be changed into order.

Entirely in line with this thought is the demand, now raised in technical circles, for a comprehensive plan of research which shall include the entire Reich, according to which the initiative in scientific research would be withdrawn from private enterprise, in the main

through financing, and placed into the hands of an institute directed by the state. "Then, in particular, all the research institutes of the Reich could be organized according to a plan and the entire field of research systematically developed. It would then no longer be in the chains of big business, but under the primacy of state leadership."

The lines of determination of the supreme council of culture, from what we know, would result of themselves. In every technique which is to be introduced, the different values, pertaining to that technique, must be weighed. The main point that must constantly be kept in mind is that technique must always be a serving link and the purposes to be served must be the only determining factor as to whether a particular technique is to be applied. But the purposes are delineated in the complete plan which I have already described as requisite for the new formation of society. In so far as this formation is a part of the economic order, I shall complete its description in the two following chapters.

THE CONSUMPTION OF GOODS

THE consumption of goods and the production of goods stand in a reciprocal relation to one another—their condition is the result of mutual influences: the amount and kind of consumption determine the amount and kind of production—and the reverse. For that reason there can be no reconstruction of economic life unless both sides are formed anew at the same time. Our observations must, therefore, be directed to these two sides. We shall consider first the side of demand or consumption.

Here again it will be necessary to get our perspective by putting certain conventional concepts to a critical test.

The concepts by which one may comprehend the conditions of consumption are: the *standard of life* (fashioned after the English standard of life), *national income* and *national wealth*. With these and similar conceptions, it is believed, consumption (or the possibilities of consumption) may be comprehended in an economic group as a unified whole and, therefore, expressed in terms of money. Such computation seems hazardous the moment one loses sight of its fictional significance.

In reality consumption is made up of countless individual consumptions, based upon countless individual goods, different in every way, not measurable and, therefore, incapable of being summarized. And for that reason valid comparisons between the "standard of life" (*Lebenshaltung*) or "income," expressed in terms of money, at different times and in different national economies, are impossible.

One must be cautioned against the error of supposing that by some schematic computation or other one may still succeed in determining, purely quantitatively, the satisfaction of a need; or that, in order to determine the significance of a definite income, one needs only to know the price of bread or some other single article of consumption. No, this will always remain completely incomputable, for imponderable and unmeasurable conditions are the determining factors in the employment of income. The condition of people living in cities and in the country, the consumption of soup and of potatoes, of whiskey and of newspapers, of wool and of cotton, is so fundamentally different

that one can never compare them in a purely quantitative relation. How is one to determine whether an income of a thousand marks in a small city a hundred years ago meant more or less than an income of a thousand marks in a large city means today? It proves nothing to compare the price of food, clothing, dwellings, postage, concerts, transportation, education or taxes, then and now.¹ The bare figures mean absolutely nothing; only what is back of them throws light upon the nature and value of a culture and, therefore, it seems to me, that too much space has been devoted (thanks to the general tendency of the time to place the emphasis on quantitative considerations) to the distribution of incomes in the discussions concerning the nature and value of economic development.

What justification is there for saying that the standard of life of a German today is "higher" than that of a German a hundred years ago, or that that of an American is "higher" than that of an Eskimo?

Obviously the ranking here is based upon a definite judgment of value which regards consumption as a "high" or a "low" state of demand. So it would be better to disregard entirely representations of heights or depths and, instead, rather speak of good or bad, noble or ignoble, reasonable or unreasonable, forms of demand. But for this purpose we must show the relations between material goods and the problems of life of persons from whom those relations obtain their significance. We call a form of demand "good" which, in our opinion, promotes and serves a thoughtful form of life. According to the viewpoint represented in this book, the conditions of consumption are well formed if they produce a healthy, happy, labor-loving people, well organized within; a people attached as little as possible to "external things," without, however, disregarding their value entirely. For that reason we cherish the demand for the "simple, natural forms of life," by which, however, we certainly do not mean the uniform paltriness of living standards.

Nothing is farther from German Socialism than a proletarian culture. We desire a gradation based on affluence and have also a thought for the cultured prosperity of a few. We wish to extend the number of the well-to-do: a comfortable dwelling of one's own in a well kept garden which is more than a pasteboard box or a cell in a honeycomb, with more rooms than are necessary for merely sleeping and cooking, in which the members of the family may also be sepa-

¹ Part of page 268 in text is here summarized.—Editor.

rated; means to cultivate a decent conviviality: good wine, fine linen, old silverware for the table; festive baptisms and weddings in a circle of friendship; room and appreciation for old family portraits; a select library: all these things we regard as also having a cultural value which we would not deny. Call it "bourgeois" if you will. It merely shows that the bourgeois class is in no sense destitute of culture. In addition to the bourgeois estate there should be a rooted, permanent, well-to-do, great peasant-class, maintained and cultivated in their peculiar habits. What a loss it would mean to our culture if instead of the stately, peasant houses, peculiar to place, the rich peasant costumes, the colorful folk-festivals, there were nothing to be seen but the uniformity of a gray proletarian poverty!

We shall shed no tears over the haughty, bourgeois luxury that will disappear: Luxury—or better: to unfold elegance and splendor, will not be prohibited in the future, but it will be left to the state and its dignitaries to determine to what extent it will be permitted. Certainly, the state of the future should be a mediator, a simple state, which should have for its model Old Prussia. But we must not forget that this Old Prussian state presented us with a Royal Palace and a Sans-Souci: symbols of a splendid culture. It was for that purpose that Frederick the Great wore a shabby uniform and that William I lived in circumstances which required the bathtub to be carried weekly into his palace. They knew how to distinguish between noble and ignoble needs.²

² Pages 271 to 278 in the German text, dealing with the same subject more in detail and particularly, with German conditions, are here omitted.—Editor.

CHAPTER XVIII

THE PRODUCTION OF GOODS

I. The Nature of a Planned Economy in General

THE dead ride swiftly. Only a little more than two years ago, when I delivered my lecture on "The Future of Capitalism," which has since appeared under the same title in pamphlet form, I could still speak with a semblance of truth—without seeming strange to my listeners—of *three* possibilities which the economic life of the future might assume: one of these possibilities was that of a return to the "innocent state of the so-called free economy, to a real, unadulterated capitalism with unlimited initiative and control by the employer, "in short, the return to "free trade." To speak of such a possibility today would make one appear ridiculous. There remain, then, but two other possibilities: that of a planless, restricted economy, as it existed then, and as it is essentially today, and a planned economy.

Consistent with the attitude taken throughout this book, of these two possibilities, only the second will be considered. Let me again indicate briefly what is meant by a planned economy before sketching the outlines of a German planned economy.

A planned economy is not necessarily and unconditionally opposed to a free, individualistic economy, but to a wild, chaotic, unorganized, planless and senseless economy; it is naturally regarded from the point of view of the entire economy of a large circle of people, engaged in economic activities, within which there may also be many well organized individual economies. (The age of capitalism is, as we know, characterized precisely by the striking contrast between planning carried to the highest point in individual economies and a planlessness of the entire economy.) Perhaps, therefore, it would be more correct to speak of it as an economy that is organized, formed, domesticated, and thoughtful, which may also be called an organic economy, if one thereby means to express the content of an idea and thinks of planning as an endeavor to bring about a rational relationship, such as would be required if it were an organism. In both cases it is concerned with a "whole" whose separate parts must stand in a certain rational relationship to one another. In reality a *Volkswirtschaft* (political economy) is not an organism. It is therefore better

to hold to the imaginary idea and try to grasp the real content purely as a concept.

Now what I choose to call a planned economy may be characterized by a number of statements which indicate its nature; in fact, we must point out the traits which are necessarily connected with the concept, if it is to receive an unequivocal and clear meaning. So far as I know, there are three such traits: comprehensiveness, uniformity and multiplicity. What I have in mind, I will show in the following.

A real planned economy must

(1) bear the mark of comprehensiveness. Or, we may also say, of totality. That is to say a planned economy only exists when the planning is extended to the whole economy and the economic procedure covers a large area. Part-planning is a contradiction, as is part-rationalization. It is often worse than planlessness. Only when the procedures in all fields of economic life are brought into an intelligent relationship with one another, may one properly speak of an organized or planned economy; nor can it be put into effect in an organized sense without a supreme planning board in every national economy.

But one must not form an exaggerated notion of a total-planning and fancy that every morsel of food that we eat must be planfully allotted to us. Planning does not necessarily mean controlling, nor regulating, nor even restricting in all cases. It may also imply the granting of freedom. In every total plan there are a sufficient number of indifferent or free zones within which every one may do as one pleases.

Another characteristic which a perfectly planned economy must show is

(2) uniformity, that is, the planning must proceed from *one* point. This is necessarily implied in the very conception of a plan; it is one of its essential traits, since the idea of several planning-points would in itself imply a contradiction. But the point from which the planning is to proceed obviously cannot, in the present state of affairs, be an international organization, say, a structure such as the League of Nations. Rather, for a measurable time—if not for all time—only national unity, which finds its expression in the state, will be taken into consideration in the formation of any central planning-board or tribunal. A planned economy must always be a national economy. Two great currents of our time here flow toward one another and must find their union in a single channel. I repeat here what

I have already said in characterizing German Socialism:¹ a planned economy must be a national economy, not only because planning is possible only through the state, but also because only within the framework of a national economy can sufficient consideration be given to the national peculiarities which we, as I have often emphasized, wish to cultivate. To put it in reverse, national economy must necessarily be a planned economy, because only through this can be brought about the necessary unity and self-sufficiency of the nation which will always be endangered through any constitution based upon a naturalistic foundation and therefore upon class conflicts and class struggles.²

But I consider it very important to show that also the third characteristic of a planned economy, namely,

(3) manifoldness or multiplicity, is not only compatible with the other two—comprehensiveness and uniformity—which, considered superficially, might appear not to be the case, but that it is even an essential characteristic of this kind of an economic constitution; that is, it is *necessarily* bound up with its concept. In other words, a planned economy cannot be thought of except in terms of diversity or manifoldness. It is only blind doctrinarianism which prevents one from seeing that a significant economy can only be formed by taking into consideration the thousand-fold diversity of its condition.

But a diversity in the formation of the economic life must of necessity adjust itself according to different considerations. First, according to the aim and general scope of the planning, in order to adjust the differences of the national units within which the economy is to

¹ Chapter iv.

² I speak purposely of a national economy (*Nationalwirtschaft*) and not of a political economy (*Volkswirtschaft*), because the latter, in view of the well known ambiguity of the word "people" (*Volk*), is too indefinite. If the word "people" means the people as a state, then the two concepts, national economy and political economy are identical. But if we take the concept in the ethnical sense, they fall apart. Max H. Böhm has recently developed these two concepts of political economy in a very clever manner. He considers it to mean "a political economy the purpose of which is to transform the powers of the economic sphere into a decisive means for the self-preservation of the people (in the ethnical sense)." In other words, "the problem of a real political economy is to unify the economic life of a group of people (bound together by neither state nor creed) with no other means than a politically moral force and, therefore, at least in a general way give evidence of the self-contained existence of the people also within the sphere of economics (in line with the idea would be the exhortation to the South American Germans to "buy German goods"; also the boycott, as an aid to the Irish nationalist struggle, the "Gandhi movement," etc.). Böhm thinks, however, that the prospect of creating such a political economy is not very promising. From my point of view it would receive no consideration. See Max H. Böhm, *Das Eigenständige Volk*, 1932, sec. 30.

be constructed. It would be plain madness to propose to set up a uniform plan for all political economies. What must be taken into consideration here and must determine the plan is:

(a) the absolute and relative area of the economic territory. How could a dwarfish country such as Switzerland or Belgium tolerate the same political economy as that of an immense empire like Russia or China! What insanity, to demand the same economic formation for a country with a sparse population as one with a dense population: for England which has 264 or Germany which has 134 inhabitants per square kilometer, and Russia with 15, Finland with 9, Argentina or Brazil with 4 in the same area;

(b) also, the economic plan must be fundamentally different because of the social structure of a country. How could one treat Bulgaria, Russia or Turkey, with an 80 to 85 per cent rural population, the same as England which shows an 8 per cent, or Germany with a 30 per cent of the same population? In these cases the fundamental conditions must be met with a thoughtful forming of the economic life: here industrialization, there (re-) agrarianization; and within the groups of the same countries: what diversity should there be if applied to a peasant-country like Germany, or a country like England which has almost no peasant class! What differences between a country like Germany in which the industrial handicrafts still hold an important place and a country like Russia or the United States, where they never have had a handicraft estate in the west-European sense, or England where the handicraft has lost its significance;

(c) a plan must take into consideration the character and cultural level of a people and the whole history of a country. A fresh or tired people, an activistic or a passivistic people, a civilized or a half-civilized people—each demands a different formation in its economic plan. I need not explain what differences here prevail between Russia and Europe, between China and Japan, between India and England, between Brazil and Switzerland, between Germany and France.

But it is especially important to recognize that a perfect economic plan must concern itself, further, with the greatest multiplicity in the selection of an economic form, an economic constitution and an economic system. Nothing is more perverse than to accept a monism for an economic plan and regard it as equivalent to a public economy, a communal economy, state capitalism or collectivism. All Utopian reform plans are shattered by the attempts at a monistic solution, because all Utopists are doctrinaires who are blind to reality; and the

Soviet system must ultimately meet the same fate unless its leaders find a better system of thinking.

It lies in the nature of the case that the variously conditioned economic life requires different methods of formation, and that the more complicated the economic life of a country or a period is, the more complex must be its apparatus. But a thoughtful formation of the economic life requires, first of all, an adjustment of economic forms to the economic purpose or to the peculiar demands of the separate branches of economy. But these are evidently radically different: an agrarian economy and business enterprise, trade and commerce, require, in general, a very different formation; and, in particular, strikingly different must be: foreign and domestic commerce, wholesale and retail trade, trade in great cities and small towns, trade in different commodities—each of these demands its own, fundamentally different organization. How shall an economic system meet them all?

Finally, a well planned economy must also show an infinite multiplicity in the means of its execution.

A national economic plan, therefore, corresponds to Aristotelian "economics" in contrast with "chrematistics." And such a national economic plan is what we demand for Germany. We are not frightened away by the term, because we associate it with no idea which the German patriot, having in mind his individual freedom, may not accept as his own. By a planned economy we do not mean, from what has been said, the abolition of private economy; rather we wish to restore the latter again to its rightful place in its healthy form. Economic planning merely means for us the permeation of the economic life with significant forms; it means for us, setting up guiding viewpoints for a sound formation of the economic life of the nation. In the place of the two powers which have hitherto ruled our economic life—chance and the ever decreasing number of great industries and banks, striving for power and gain—is to be set up the power of the popular will incorporated in the state.

What that signifies for our country in detail, the following discussion is to show.

II. The Organization of Production

I. THE ORGANIZATION ACCORDING TO COUNTRIES (NATIONS)

At no point in the discussion of the economic problems of the present is the struggle so violently inflamed as in the question of determining what proportion of the goods necessary to our life shall

be produced in Germany and what proportion in foreign countries. Concerning "autarchization" (*Autarkisierung*), it has come to the pass where nothing can be said without the opponents abusing one another in the wildest manner. In fact the question here to be considered is the one most fundamental, concerned with "questions of viewpoint," that is, with questions which cannot be explained with scientific arguments and in the decision of which the personal note ultimately carries the day. What we are faced with are the economically private and the economically national methods of consideration.

We saw in Chapter I how the old "world economy" came about: through the integration of individual economies without regard to their connections with the economy of any particular state; the "whole" which thereby resulted (or should have resulted) was the harmoniously organized oikumene³ joined together from the integrated individual economies, the one all-world economy. Opposed to this, we represent the national economic principle: the "whole" which we visualize, as a guiding thought, is a national economy linked together into a harmonious union. From this it follows that the national economy must show a certain rounded-off, isolated, self-sufficiency which permits it to rest upon its own foundation. We represent this economic principle because of strategic, popular and economic reasons. But primarily because Socialism, which, as we know, is a thoughtful organization of the common life, needs for its realization and its expression of life as an economic body, to be essentially independent of the procedures in foreign countries. That, in consequence of all this, German Socialism repudiates world-economic formations, as something in conflict with its inmost nature, is self-evident.

In view of all this, the bitter opposition of the old-capitalists, is not wholly intelligible, because, seen in the right light, it is not at all a question as to whether we wish to continue the old economy or not, since this has broken down of itself and, according to all prospects, can never rise again.

We must be clear about one thing, namely, that the presuppositions under which we have seen the world economy develop in the economic age are not even true at present, and certainly will not be in the future.

What is taking place before our eyes is, first of all, what has long been in preparation, the breakdown of the mechanism of free trade

³ Or oecumenacy (not in the ecclesiastical sense).

to which world economy had hitherto been harnessed: no peace, no free trade, no good will—that is the sign of the time; instead: tariff walls, prohibition of imports, notice of credits, mistrust all along the line. A striking symptom of the dissolution which is going on about us is the disappearance of gold currency which has led *ad absurdum* to the hoarding of nearly the whole gold supply of the world in two places.

There may be people who do not ascribe to these procedures too great a significance, because they regard them as temporary disturbances and trust that the old balance of the international scale will again be restored. And, in fact, that would not be impossible if other conditions of the Old World economy, the material conditions, would again restore themselves. But of that there is now little prospect.

It seems to me quite unthinkable that western Europe can ever again become the money center of the whole world. For, while the demands for the creation of capital will grow to the extent in which foreign countries develop their political economy—that is “industrialize” themselves—the amounts which the European states will be able to accumulate will decrease.⁴

We must also take into account the ambition of the foreigners to finance themselves, which in increasing measure they will no doubt be able to do.⁵ In a word, they will no longer need our capital; but perhaps they may find application, here and there, for our intelligence.

In connection with this development, there is also the falling away of the third condition which supported the Old World economy, namely, the peculiar situation in the exchange of wares between western Europe and the rest of the countries of the world. This exchange cannot be maintained, inasmuch as the industrialization of the agrarian nations is moving rapidly forward. The capacity of these nations to consume industrial products will become less and the industrial exports of western Europe will shrink.

It is true, it has been said that the development of capitalism in new countries will give a new stimulus to the industrial exports of the old capitalistic countries. I believe this is wrong thinking. The new capitalistic countries will build up their production-apparatus essentially out of their own power and will be compelled more and more to forego imports—perhaps after a brief transitional period—for the simple reason that they will have no counter values to offer

⁴ I have given the reasons in “*Die Zukunft des Kapitalismus*” (1932): 36ff.

⁵ See the Testament of Kemal Pascha.

in exchange for industrial imports, because they will not at once be able to build up their industries and export raw materials and food products to Europe; in other words: two industrial systems—a national and a European—cannot be developed upon the same agrarian foundation, at least not according to the law of the proportional relation between the agrarian basis and the industrial superstructure; to put it more generally—between organic and mechanically inorganic production. Nor can they increase their agrarian supply, for they would then be compelled to resort to a more intensive and, therefore, a more costly method of creating their agricultural products.

It comes to this then, that the agrarian countries were able to furnish us, for the last century, with so cheap an agricultural product only because they had carried on a predatory tillage of the soil and because the agricultural population had denied to itself the food necessary to satisfy its physical needs, even though produced in its own country. Neither of these two conditions are likely to continue in the future. The non-European nations have freed themselves in every respect from the immature methods and exploitation systems of western Europe. The “emancipation of the colored races”—by far the most important world-historic result of the Great War!—is in full swing. The “rule of the white race” over the earth, so far as it is represented by Europeans, is definitely ended, as I have already explained in another connection.⁶

Where “imperialistic” tendencies may perhaps still be maintained in the future, the dominant nations will be the United States, Japan and possibly Russia.

If these lines of development are correctly seen, what will be the effect upon the political economies of the old-capitalistic countries? Obviously a certain compulsion to resign themselves to the inevitable and do the same thing that the political economies which were earlier dependent upon them are about to do: fall back upon themselves. We are forming the habit of designating this self-limitation with a foreign word by calling it *autarchization*. And are thereby again faced with a slogan which recently, in the conflict of opinions, has played an important rôle but which is no less ambiguous than that other ominous term, “planned economy,” with which we have already busied ourselves. I shall again attempt to reveal the correct meaning of the word.

⁶ See above pp. 184ff.

"Autarchy" certainly need not signify that a political economy be completely—or in the jargon of the daily press, one hundred per cent—self-sustaining, that is, divest itself of all and every international relationship. Only a cranky doctrinaire could set up such a purpose; it would, I suppose, never be achieved. Here too, one must ask the question: whereto, in fact?

In actual relations I would even call a political economy autarchic which is not wholly independent of relations with foreign peoples, that is, one which does not find it necessary, in view of its existence, to carry on foreign trade, but which imports and exports at free discretion what seems best for it. As Schleiermacher once strikingly expressed it when he said: "Sufficiency of the soil consists in this, that the necessary essentials are produced *in natura*. For even if a state *should* not isolate itself, still, it is an attribute of freedom to feel that it *can* isolate itself."⁷

It was in this frankly autarchic condition that the political economies of western Europe found themselves a hundred years ago.

The starting point was exports; then followed imports, and for that reason I have called these countries export-countries. They were autarchic in so far as they could, in case of necessity, also forego imports without endangering their position.

In the course of the nineteenth century this state of affairs fundamentally changed. We were forced into a situation where, in order to be able to maintain our condition of life at all, we were compelled to import goods on a large scale, either in the form of articles of food for our population or feed for our live stock, or goods in the form of raw material for our industrial products.⁸

Before the war we paid for these imports in part with the returns from our foreign investments, and in part (today almost exclusively) with our industrial products. The relation between imports and exports has been reversed: the imports have become primary; we *must* import and, therefore, export. We have, as I would put it, changed from an exporting to an importing country. But thereby we have lost our independence; we have ceased to be autarchic even in the most modest application of the word.

⁷ *Sittenlehre*, sec. 276.

⁸ A list of imports, given on page 288 of the German text, has here been omitted.—Editor.

The tasks which have been thrust upon us in view of this situation are obvious: we must limit our purchase of both foreign raw material and articles of food to the greatest possible extent.

So far as finished articles of goods are concerned, we are very near the goal of self-sufficiency: according to amount, German production already (1933) covers 80 per cent of consumption (as against 70 per cent in 1926-27). To prevent the disastrous results of occasional crop failures the state should equalize, according to a plan, the different yields of harvest through storage; and a corresponding change in our habits of consumption, together with the progressively increasing achievements of our agriculture in the field of food supply, will soon make possible the desired independence.

One of the children of sorrow which creates an intolerable condition in our political economy is the raw textile-material which even today we draw to a large extent from foreign countries: in 1932 this item cost us more than 600 million marks. Here we must first do what would be very conducive to a sensible reform of our habits and demands, namely, again manufacture our clothing more from material which can be produced in our own country: involution of the demand for cotton, evolution of the demand for wool and flax! Then, having achieved that, create again the necessary raw material on a larger scale from our own soil.

"There can be no doubt about the astonishing progress made in the German wool-industry within the last two years."⁹ But the problem is entirely different when it comes to turning out *inorganic* raw material and half-finished products, which foreigners are likewise furnishing us on a large scale. Here again we must, first of all, revive the possibility of self-production. . . .¹⁰ I shall not, however, here enter upon details, for it would carry me far beyond the intended scope of this book. Those who are especially interested in removing the chains of a world-economy from our own political economy, may be referred to the work on *Autarkie* (1932) by Ferdinand Fried who has judiciously compiled all of the material figures on this subject.

There is one further point which may be here observed. To supply Germany's needs from her own means will not be as complete, and certainly not as cheap, as was the case when, according to the "free trade argument," goods could be drawn from those countries where they could be most cheaply and best produced. But we must, as I have

⁹ Th. Belime.

¹⁰ Part of page 291 of German text is here omitted.—Editor.

already pointed out, forego some of the comforts of life when higher interests stand in question. We must also necessarily permit a modification of our "standard of life." But that, as I see it, by no means always implies a disadvantage—not even from the standpoint of individual interests.

2. THE ORGANIZATION ACCORDING TO ECONOMIC SPHERES (“ECONOMIC DEPARTMENTS”)

The distribution of the population into different economic spheres, which the Reich's statistics designate as economic departments A, B, C, etc., stands in a given relation to the new organization of foreign relations. Yet the broad relations of the economic spheres with one another constitute a problem by itself.

If we remember the figures which express the distribution in relation to the separate economic departments,¹¹ we cannot avoid the impression that here, too, a condition has set in, which cannot be maintained in the long run, if the German people are to be brought into healthy conditions of life. A rural population of less than one-third of the total, is doubtless relatively too small: an increase in the rural population to the point where it stood in 1870, which was 40 to 45 per cent, seems wholly desirable. For there is no longer any doubt that Aristotle was right when he regarded the agricultural population more valuable for a state than the industrial, commercial and municipal. German Socialism therefore demands a "return to the land" movement (reagrarianization).

The objections to such a removal of those engaged in industry, I do not share. It has been asserted and generally accepted that the productivity of agricultural labor—I should say rather, productivity of the soil—experiences an ever increasing yield and thereby, in view of relatively fixed limits, could result in an overproduction of food supply.

Against this view the following may be urged:

(1) The demand for food supplies is fixed only with reference to single food products (bread), but in other cases is capable of extension: animal products, particularly dairy products, eggs, vegetables, fruit, and honey, among other things, are especially subject to an extension of use and also to the possibility of an enhancement of their quality. But if the city population should not increase its

¹¹ See above, p. 120.

consumption, then the peasants should consume their own products and be better nourished.

(2) It would be highly desirable to have agricultural production less exhausted in the creation of food supplies and thereby gain room for the production of the necessary raw material (flax, wool, vegetable oil products, etc.).¹²

(3) It has not at all been shown that the increase of soil-productivity is connected with the increase of labor-productivity, so that the same number of persons would produce more. Perhaps an increase in production requires an increase of the agricultural population. But where that does not set in of itself, it could be assisted by bringing back into the country and cities more and more the output of the soil-products from those factories and great industrial centers where, as we have seen,¹³ they are produced on such a large scale. The increased industrialization of agriculture is, from the cultural, popular, ethical and esthetic standpoint, a very dubious phenomenon. We may learn how far it has already advanced at present from the figures given out by the "Institute for Research on the Condition of the Markets." According to its statistics, agriculture drew from industries, in the full year of 1930-31, goods valued at 4 billion marks, distributed in part as follows:

Fertilizing substance	417 million
Machines, etc.	500 "
Tools and implements	160 "
Construction material	500 "
<hr/>	
Total	1,577 million

That is, agricultural products were produced in this amount in factories or, in general, in industries.

I should think that the greater part could be stricken from this amount without essentially lessening the return of agricultural production. But if the productivity of labor should be lowered, there would thereby again be created the possibility of employing more people on the land, who then, perhaps, would have less to spare for the rest of the population. But that would need to be put up with, if agricultural labor could thereby be restored to its original bounteous form. With the coming of the self-binder, the motor-plow, the tractor and

¹² See above, p. 257.

¹³ See above, pp. 20f., 237.

artificial fertilizer, a spirit took possession of agriculture which drove out the household gods and gave men over to decay. To find here the right course between a condition altogether too primitive and one of super-modern modernity is one of the most important problems connected with the agrarian policy of the future.

Closely connected with the idea of increasing the population of the rural areas of all Germany is a problem which apparently stands in contrast with that idea: I refer to the problem of industrializing our eastern territories. But in reality the two attempts are to serve the same purpose, namely, a more wholesome distribution of the population over the great economic areas. The object, above all, is to relieve the crowded industrial areas in the West, where the population has congested to an alarming extent, so that the province of Westphalia has a density of 237, and the Rhine province of 301 per square kilometer, compared with an average of 134 for all Germany. This relief can only come, on the one hand, through a general restriction of industrial activities in all of Germany; on the other hand, through transferring the population to the East where the settlements are still comparatively sparse: in Pomerania 62 per square kilometer, in East Prussia 61, in Mecklenburg-Schwerin 51, in Grenzmark 43, in Mecklenburg-Strelitz 38. This corresponds with the density of population in countries such as Albania, where, for the same area, the population is 36.5, Lithuania 38.1, White Russia 39.3, Spain 46.7, Greece 47.7, Bulgaria 51.1, Yugoslavia 56, Roumania 61.1. Those regions which have a dearth of population would experience a new vitality through peasant settlements, to which I shall again refer in another connection. These settlements, as well as the assisted settlements of agricultural laborers, are the most important means of realizing the purpose of an increase of agricultural population in general.

In the problem of organizing the population according to economic divisions, I have had in mind only the relation between the agricultural class and the rest of the population.

But in the distribution of population account must also be taken of the non-agrarian economic divisions (B-E). Here the disproportionately large number in group C (trade and commerce) is very striking, where the number engaged in industrial activities has increased since 1882 from 1.4 to 5.3 millions, that is, from 8.6 per cent to 16.5 per cent—a terrible result. There is no doubt that here the greatest possible change should be effected. But it can only be accom-

plished through a new organization of the population according to economic systems to which I shall direct attention in the following sub-section.

3. THE ORGANIZATION ACCORDING TO ECONOMIC SYSTEMS (AND SIZE OF INDUSTRIES)

Every complete economic plan, if, indeed, it is to achieve its task of forming a significant economy, must, as we have seen, be provided with a great variety of economic forms and economic systems, existing side by side and also interlocking one another. There must be private economies, market economies and economies covering collective needs (this expression of mine has now suffered the fate of becoming a much-misused slogan) ; there will be peasant, commodity, and handicraft economies ; there will be cooperative, state and common economies. And capitalistic undertakings will not be wanting, for there will always be numerous tasks in economic life which can be best achieved under a capitalistic form. Foolish, thrice foolish, he who through doctrinal obstinacy would renounce even a single one of these manifold formations !

But it is also an essential part of a well ordered economic plan to have these various economic forms bear a proper relationship to one another.

Now according to our business statistics these relationships are by no means unfavorable in Germany. I have given figures in another connection from which it is evident that the peasant class and the handicraft workers have maintained themselves to a gratifying extent. But these two economic systems are among those which German Socialism regards as best suited to a just political economy. In striking contrast with Proletarian Socialism, it places in the central point of its participation, not the proletariat, but the middle class, and may, therefore, be designated (and branded as heresy) as a middle-class Socialism. German Socialism takes this position, fully conscious of its implications, because it sees the interests of the individual, as well as those of the state, best guarded by the middle classes : the person economically active will find the possibility of developing himself fully only in the peasant and handicraft occupations—in labor which, when thoughtfully performed, after all, forms the most important content of human life, because it is only in this kind of labor that we

have creative work in the true sense. That is to say, creative work finds its expression in things which, tangibly perceived, are complete in themselves, because only in these forms is the purpose of labor expressed within itself and is not compelled to find its meaning beyond its own experience. Only in these forms can labor regard its work as its own. And only those who find complete satisfaction in the labor of their own calling and see the meaning of life in the fulfilment of their calling, can be good citizens. No political reliance is to be placed upon the proletarian masses to which all dependents belong and who elicit our sympathy because of the hard lot which a stern destiny has asked them to bear. They are not native, not rooted in the soil; they constantly seek new forms of life, constantly *rerum novarum cupidus*; they are conceivably always dissatisfied and, in the words of Carlyle, like Enceladus, they cause earthquakes whenever they turn about on their bed of pain. This fact has led many a man, concerned about the welfare of the state, to the conclusion that there should be no other economic system at all, alongside that of the handicrafts (and the peasants). "Give up the hope," once wrote Paul de Lagarde,¹⁵ "of eliminating the social problem from the world; which is the same as saying, give up the hope of seeing Germany happy, as long as you have the mechanical industry taking the place of the handicrafts." This is obviously going too far. No reformer or revolutionaire will succeed in exterminating the industries. We can only hope to improve the conditions of labor within their sphere of activity. "The only solution is to free the laboring people from the transformation and misformation of their work-days, which we all need and should employ more strenuously, because temporizing from day to day is becoming ever wilder and more irresponsible and has gradually—what is most dangerous—assumed the value of a diverting self-indulgence."¹⁶

Freed from these objections, industry and the industrial class might even be welcomed as a driving, stimulating and alluring element in the state. But they could not serve as the foundation of the state. And for that reason they should not comprise more than a certain limited part of the population. In Germany, at the present moment, there are already too many large industries. We should therefore endeavor to extend as much as possible the handicraft activities and restore them to their rightful place wherever, according to their nature, their

¹⁵ *Deutschen Schriften*, 106.

¹⁶ Fritz Klatt.

achievements are equal to, or better than they would be if performed by industries. But handwork is better in every case requiring individualized production. That we should, therefore, again extend this type of work, while we give a more expedient form to our demands, I have already discussed above. A great deal of our world of goods has fallen a prey to modelization without its being necessary. The manufacture of ready-made wear, for example, as now carried on, and through the extension of which the two great handicrafts of shoe-making and tailoring, as furnishers of completed wares, have been ruined, is by no means always the best form of production and could easily be replaced through the made-to-order system. Shoes would then be somewhat more expensive, but they would probably gain in durability. And we would need to be satisfied with a less number of articles. The same is true in the production of our household furniture. On the other hand, there would be no sense in again producing by hand mouth-wash, or sulphuric acid or iron.

If the extension of the handicrafts would require the seemingly stupendous task of a reform of our customary demands, it may happily be said, on the other hand, that the technique of production has already shown an inclination to improve the prospects of production by hand. Many of the circumstances which during the period of high capitalism suppressed the handicrafts and promoted the movement of concentration in great industries are in part extenuated and in part reversed: to the degree in which the scope of production has been reduced, the superiority of great industry has also been reduced. On the other hand, in many cases electricity and gas have made industry more independent of the great workshops which have employed the power of steam. Metal enterprises, through the new pressure and welding process are becoming independent of the foundry and the great industrial factory. To this must be added, that the shrinking that our economic body must undergo will extend itself chiefly to the means of production, in which concentration was greatest, and, therefore, a recession of business activities will take place in those industries which are producing for consumption and in which the middle-class enterprises and the handicrafts will be still further extended and be easier to restore.

A problem by itself is the distribution of real estate between the large and small enterprises in agriculture, that is, between the large landed-estates and the peasant economies, since this, among other

things, must follow solely as a consequence of the economic viewpoints.

I regard as a settled fact, that the landed economies, under present agrarian relations synonymous with "great land ownership," should not be omitted from the list of economic reforms. Not only because of economic, but, even more, because of cultural and political reasons. That many of the objections, namely, those which are urged against the large landed-estates, for national and political reasons, could be obviated through a thoughtful reconstruction of labor relations, I shall now attempt to show.

Of course, I do not believe that the same area should be allotted to the large land-owners in future Germany, which they now possess: the need for land for settlement purposes is too great to permit a continuance of present conditions. The lowest point of restriction upon large land-ownership, in my judgment, is that provided in the Reich's settlement law of 1919, which, according to the opinion of Max Seering, its author, would again give to the peasants as much land as they lost in the nineteenth century. For this purpose, in all territories in which the landed estates constitute more than one-tenth of the total area, one-third of the land should be taken from the present owners and devoted to peasant enterprise. That would be about a million and a half hectares. I think that would be the proper solution: permit each great land owner to have a sufficient area upon which to erect an hereditary (elegant) estate and use the rest for peasant settlements.

Closely related to peasant and handicraft methods of production, is an economic form which, as we have shown,¹⁷ declined during the economic age to the great injury of our people and which, for many reasons, it would be very desirable to revive, namely, the household economy or domestic self-management. I have already pointed out that the renewal, or merely the strengthening, of family life can be successfully achieved if the family again, to a large extent, becomes the bearer of economic and, in fact, productive functions. Naturally a mode of life, such as is vouchsafed to a full extent only in the country and the small city, would be essential to such a purpose.¹⁸

Productive employment in the home would again make it possible to utilize the labor-power of women in the family and thus tide over, during the dull times, the labor-power in agriculture, which is a

¹⁷ See p. 17.

¹⁸ A part of pages 299-300, giving details, is here omitted from the text.—Editor.

seasonal performance, so that long-term labor-contracts could be concluded.

The advantages of domestic self-production could be enjoyed by all classes of society, even by those employed in great industries, who are merely "laborers." Arbor colonies, suburban settlements, short-time labor-settlements and similar expedients may also accomplish a great deal along the same line. Through such activities the laborer would be placed in a position to achieve significant work and would not need to fill out the monotony of his life merely with a substitute for after-hours employment.

Where technique is still intimately connected with great industrial formations or, in fact, is forced, it will be necessary to consider whether this is to be incorporated in the capitalistic economic system or whether preference is to be given to a common economy or some kind of a mixed system. The decision must be made according to individual cases. As a rule it will be necessary to place under public control:

- (1) great bank credits;
- (2) the management of raw material and the primitive powers of the country;
- (3) international, interlocal and metropolitan intercourse;
- (4) all industries having reference to national defense;
- (5) all undertakings on a large scale tending to expand beyond the proper limits of a private economy and which have already assumed the character of a public institution;
- (6) all industries concerning which there is a particular reason for nationalization or municipalization.

All other great industries, even if under definite control—still to be explained—may be delivered up to capitalism, when no definite intermediate forms, such as the mixed-public undertakings or the cooperative forms, are preferred. These, however, are technical questions which affect no fundamental interest. Moreover, I shall take up the problem of the formation of industry in the section dealing with the direction of economic life.¹⁹

The sale of wares must still for a long time be a special function of particular persons, either for supplying the manufacturer with half-finished products or for bringing the wares to the final consumer. A diminution of the purely trading activity will set in to the extent

¹⁹ See pp. 269ff.

in which the source of supply and the places of sale are again brought closer together through an increasing autarchization and to the extent in which the number of customers again gains ground. The result will then be a reduction in size of the units of management and, in general, an increase of the carrying trade. A part of the sale of wares in the future will also take place through cooperative organization. For the cooperative associations in the future economy will be called upon to play an important rôle. They will render a valuable service to the peasant, the manual laborer and the final consumer. Here it will be advisable to retain the received forms and to further develop them according to a plan.

Something should now be said concerning the so-called "labor constitution" within an industry, that is, concerning the relation sustained between economically independent laborers, the dependent laborers who are taken into the service, and the officials. I shall limit myself to a discussion of the labor constitution in the large industries, since the position of assistants in peasant and handicraft industries does not constitute an important problem.

I believe that the constitution of land-labor may experience a further fundamental improvement or, if you will, an involution: an involution, namely, in the direction of the old lodger or cottager relationship which, as we have seen,²⁰ almost wholly disappeared during the economic age. In many places there is again an attempt to connect the laborer with the landed estate, to give him a domiciled status, to encourage him through the enlargement of the garden, or the potato-land, and by permitting him to have the grain or fodder on a suitable, small plot of land, or by giving him the use of an area for self-cultivation as an offset to his wages—in short, changing him again into a small farmer. The presuppositions for the success of this beneficent reform is the distribution of labor over the greatest possible number of days during the year, through a multiplicity of management, through increasing the number of cattle and horses, limiting the tractor-labor, etc., that is, through a systematic de-industrialization of agriculture, which we have already mentioned. To this must be added the introduction of industrial extra-occupations, of which I have already spoken, especially during the winter months. Worthy of consideration also is the plan of paying the laborer the compensation due him again in the form of a share, so that an established

²⁰ See p. 16.

economic community of interest between the lord of the estate and the laboring class will again result, as it was before the modern period destroyed it, a community of interests upon which a real community of works or labor may be constructed.

But a reconstruction of the labor constitution along the lines indicated is out of the question for all non-agricultural, great industries. A settler-method of organizing labor in industry neither corresponds to the great industrial or commercial enterprises—where it has been attempted by humane employers it has generally been regarded by the wage earners as chains,—nor can the share-system of wages be reconciled with the demands of the non-agricultural industries, as many years of experience have shown. So there are other problems here presented for the formation of a labor constitution which must receive a different stamp, depending upon whether it is a question of capitalistic undertakings or public enterprises.

First of all, so far as a labor constitution in the capitalistic sector is concerned, it stands today at the end of an interesting development whose fundamental principles one should not fail constantly to recall to mind.

The labor constitution in the great industries went its own way during the economic age and early departed from the path prescribed by the principles of liberalism. One may say that for more than a hundred years a progressive nationalization or, if you will, a socialization has been observable in this field. First in England, then in Prussia and other countries, the state soon found it necessary to offer a check, through protective labor laws, to the devastation which capitalism wrought among the children of its country. At first protection was limited to definite groups of the population—to children and women—but its operation was gradually extended to the formation of a labor constitution: there came the humane provisions to improve the construction of the work-rooms, protection against the dangers in work, the care for the sick, invalids, aged, injured laborers (patterned upon the model of German social insurance); there came finally the regulation of the hours of labor through the introduction of the compulsory rest-periods, the limitation of night-labor, etc., and at last, in some countries, as in Germany, the fixing of the maximum number of hours a day for all wage-earners. There remained only to private regulation, free from state interference (at least in the European countries)—with few exceptions—a part of

the labor contract—though the most important—the fixing of the wages for labor.

We know what forms of fixing wages arose in the course of the last hundred years: how the laborers attempted to strengthen their weak position through the development of labor associations, and how in all countries with a capitalistic economy there came about the so-called collective bargaining which in Germany is known by the name of "rate contract" (*Tarifvertrag*). This is one of the signs of the general intellectualization (*Vergeistung*) which was passed on to civilized mankind, as we have shown, in the economic age—it stands alongside the option-business, the intellectualized industry and similar forms—and, so far as wage-fixing is concerned, presents an extraordinarily beneficent solution of the problem of the labor constitution so long as it rests upon the contractual regulation of the two groups of interests—the employer and the wage-worker. We must, above all, always admit the beneficent effect of this period of free labor-contract.

The problem which we face, in view of this development, is simply this: whether or not the state is willing and is in a position to use its power of disposal to control the last and most important part of the labor contract—the fixing of wages—as the other parts of the contract are controlled. The formula for our decision runs thus: *either* state regulation of wages *or* rate-contracts. Everything else is idle talk.

If the state decides to regulate the labor relations as a whole—and there are many reasons why it should—the labor constitution, even in capitalistic industries, will take on the character of an official relationship in which the officials and laborers, if not always legally, at least in effect, find themselves at present: labor conditions will then be established according to extra-economic viewpoints, without regard to the so-called "market situation." The conflict of interests between employer and laborer will cease, and the capitalistic relation will disappear.

Why the capitalistic entrepreneur will then still be needed, is a question I shall answer in what follows.

III. Directing Production

By directing production I mean all of the principles according to which the economic conduct of individuals, associations and, in particular, of economic subjects are organized and executed.

In the selection of these principles we must consider what lines of direction and what measures of conduct, in the formation of economic life in general, should be considered at all, and which of these are to be retained. We constantly use certain principles and practices as slogans without ever considering what significance is or should be attached to them. I should, therefore, like, first of all, to isolate some of these slogans and attempt to determine their essential nature and value. For, if we solve this problem, it will be relatively easy to judge how the direction or control of German economics is to be executed.

I. THE PRINCIPLES OF ECONOMIC MANAGEMENT

One slogan, cherished above all, is that of the necessity and the blessings of "personal initiative." By which is obviously to be understood the free, arbitrary judgment of a private economic subject, that is, autonomy in the selection of purpose to be achieved or of means to be employed. For this concept we have a well known French expression: *laissez faire*.

What are the actual facts?

Liberty in the selection of purpose exists, above all, in the free selection of the branch of economics: everybody is at present still free to determine whether he will become a farmer, a cobbler or a manufacturer of artificial silk, that is, he is free to determine what he will produce. The only restraint that presents itself here is tradition and—very often—the amount of property. And, after one has selected the branch of economics, one is still free in the selection of one's specialty, and further (again conditioned through property), free to determine the amount of goods to be produced, in so far as there are no restrictions through cartels, etc.

Liberty in the selection of means signifies the liberty to fashion industry according to one's judgment. But here it may be noted that, in the course of the economic age, liberty became increasingly restricted, and, in fact, to the same degree in which industry expanded: at first the state cut off by degrees the "free initiative" of the entrepreneur, as I have already stated; in the second place, the labor associations operated to same effect, and in the third place industry itself increased the restrictions by reason of the fact that in the form of great-industry it became more impersonal or intellectualized, which certainly means nothing else than the displacement of free initiative and discretion through systematization in various forms.

The size of an undertaking is decisive, in its possible effects upon free initiative, both as to the selection of purpose and of means, in that the number of persons capable of developing free initiative decreases inversely as the number of persons concentrated increases. So that one may say: the larger the concentration, the fewer there be that have free initiative.

But to the extent in which the number of economic subjects, having free choice, decreases, the average power of the individual entrepreneur increases and, therefore, the extension and persistence of its effect. And, therefore, also the danger to "free initiative" for all.

One may thus see, upon closer scrutiny, what an empty, meaningless phrase the demand for "free initiative" is, if one does not definitely specify who is to have it, in what direction it is to be employed, and to what extent it is to be exercised.

I think a community will be most likely to actually enjoy the blessings of "free initiative," if it is extended to as many persons as possible and then limit its sphere of operation within the separate fields as much as possible. From the standpoint of a well-organized economy we should not hesitate to leave to the private initiative of a manual laborer or of a small textile manufacturer what and how to produce. But we cannot quietly submit if a "creative personality" on a grand scale, such as Mr. Krueger or Mr. Ford or Mr. Morgan, through his "personal initiative" brings the whole world into disorder.

These phrases about the blessed effects of "private initiative" and "creative personalities," without let or hindrance (*sans phrase*), were the bait with which the mice were caught in the period of high capitalism. Today, after all the misery into which private initiative and creative personalities have plunged us, we no longer nibble at this bait. But we reserve our decision as to whether, where and when, we will approve "private" initiative. For experience has taught us that it may be quite as likely to operate to our disadvantage as to our advantage.

2. Closely connected with private initiative is the "principle of leadership" which we have discussed in another connection.²¹ This principle implies that the conduct of groups is determined by the command of a leader (in contrast with the decision of a majority)

²¹ See p. 194.

and that the competence of the leader does not proceed from those subordinate to him but from the command of a leader superior to him. The nature and import of the leader-principle may best be made clear by comparing it with the organization of a modern army in war. Here the order goes from leader to leader until it reaches the immediate leader of a troop. But the starting point of the order is from the supreme command of the army, as the highest instance in all individual decisions, while above the supreme command there is still the rule of the general order of the army: a superior, for example, cannot introduce the whipping post into his regiment. Now how does this correspond to the organization of economic life? Let us assume that we are in an economic enterprise. Here the laborer receives his order from a foreman, the foreman from a workmaster, and he, in turn, from the industrial director who again gets his order from a general-director whose authority comes (perhaps) from the chairman of a supervisory board. And this chairman? In an individual enterprise the final authority will have been reached short of this last stage, namely, in the private employer. But from whom does he get his directions? Is he not himself the supreme commander? And are there not, in fact, thousands and tens of thousands of "economic leaders," operating as independent powers, opposed to one another, as powers which manage as they please, which fight one another, and which create a situation in which one gives an order to march here, another to march there? I should say the employer corresponds at most to the commander of a battalion or a regiment, who merely follows the order of the supreme command of the army: although strategically and tactically he has a certain degree of independence. Now what authority shall the capitalistic employer (who in this respect may be compared with a leader of a public enterprise) be permitted to exercise? To permit each one to have a final decision would mean the dissolution of the army. Obviously in the economic life there must also be something like a supreme control over the individual "economic leader," which corresponds to the supreme command of an army. And that is a supreme economic council. And so the "leader-principle," as a pressing necessity, leads directly to a planned economy, that is, to Socialism.

3. An oft repeated and widely extended slogan is that which sounds the praise of "free competition." And thereby hangs a tale.

It was in harmony with the spirit of pre-capitalistic and also with early capitalistic economy to impose restraints upon the activities

of economic subjects in intercourse with other economies, to subject them to super-individual norms, and to exclude free competition. Everything which had for its object disconnecting, or putting out of circuit, another economy, all underbidding in price, all measures which proposed to attract or drive away customers, were strenuously prohibited. In fact even business advertising had still to fight in the eighteenth century against public opinion, as well as against the mercantile views of propriety and decency. Business ethics commanded, with all decisiveness, the business man to wait quietly in his office for the customers, who would in all probability appear.

It was reserved for the age of high capitalism, with the capitalistic spirit, to aid the "competitive principle," as we call it, in winning the victory. This principle, which we also call the principle of might, or the arbitrary principle, follows of itself from the fundamentally naturalistic attitude of the capitalistic spirit. Its significance is well known: economy begins anew every day: there is no enduring existence, only a continual becoming, no fixed forms, only a continual flow, no tradition, only new formations. The creators of the ever new are the individual economic subjects, to their will alone economy owes its existence. Every economic subject is dependent upon himself, "no one else will intervene in his behalf"; he must be on hand if he is to succeed. Everyone must daily conquer his position anew and must defend himself alone against attack, everyone must have complete freedom to exercise his strength and power; his dominion is limited only by himself. The criminal code only sets limits upon personal, arbitrary acts. Everything is permitted which is profitable.

But if the fundamental thought of the competitive principle is simple, it does not imply that its practical application is likewise simple. What we call competitive economy, that is, the behavior of economic subjects in conformity with the competitive principle, by no means appears in one and the same form. For that reason we must have a more accurate knowledge of the forms, kinds and possibilities of competition itself.

I have indicated these as

- (a) competition through quality,
- (b) competition through suggestion,
- (c) competition through power.

(a) Competition through quality or achievement is "competition" in the strictly narrow—one may also say ideal—sense, as when one

speaks of "fair competition" or when we use the expression, "to compete with one another in a race" in which it is understood that one becomes the victor. This picture is, of course, taken from the arena. In economic life the judge of the prize is "the public" and the achievement, which in this case is to be ascertained, is the delivery of the best and cheapest wares and services, while the prize is the distinction which comes through purchase.

But the situation does not always remain in a purely objective state on the part of the competitor. He knows that the public—especially where it consists of women who follow the latest fashion—may be influenced through other than purely objective considerations, and so it turns into an entirely different form of competition, which I call

(b) competition through suggestion. Here the competitor does not merely wish to influence the judgment of the customer through the excellence of his wares or the quality of his achievement, but he endeavors to win him as a purchaser through other methods, through attempts to switch off the customer from his independent opinion, conviction and conclusion, and by persuasive means awaken in the customer the mental picture and feeling which he himself has in mind and therefore "suggests" to the customer the word "purchase." A perfect illustration of objectified competition through suggestion is exhibited by a word which today is on the lips of all—"advertise."

This form of competition still rests upon the fundamental principle of competing for the favor of the buyers. Under this form of competition every competitor is free to extend his economic activities. But under the third form of competition, that is, competition through power, this freedom no longer exists.

(c) Competition through power aims to eliminate competition through forceful means. If we were again to take an example from the arena, by way of comparison, it would be the case of the tournament or, in its present vulgar form, the boxing match, which would come into question here, except that in this case the conquered knight or the defeated boxer could still recruit himself and again enter the fray, while the defeated economic competitor remains as a corpse upon the open field. The gladiatorial combat would, therefore, be the only suitable comparison.

Competitive power had its beginning in the great, American cartels and in the aggressive, giant monopolies which there came into being and thence also extended themselves over Europe. The number of

measures and devices which were employed "to undermine competitors" were astonishingly large.

Our position, as German Socialists, in meeting the problem of competition is clearly prescribed: Every Socialist must obviously repudiate the competitive principle, as a general order (or better, disorder) of economy. For we believe Socialism would put an end to the senseless struggles of individual economies with one another, and against one another, and create order in place of chaos.

So far as individual forms of competitive activities are concerned, we would wholly eliminate competition through suggestion and competition through power. With competition through suggestion out of the way, there would also disappear one of the most unfortunate phenomena of our times, namely, advertising. For nearly a generation I have taken the field against it, and in my attacks upon "Its Majesty the Advertisement," have aroused a storm of indignation. Since then it has grown even more rank. Will there now, under changed conditions, be more intelligence at hand to cope with this lack of good taste? Will we never learn that it is not a part of a cultured people to permit itself to be continually tortured—at every turn, at home and on the streets—by obtrusive, talkative profit-chasers, to be continually reminded by word and picture of the most distasteful events of life or be given a glance into strange bedrooms, when there may be other things on one's mind? Will we never be able to at least free the family magazine, the public means of conveyance, the show windows, the landscape, the air, from this leper-like rash? Surely, when we think that now even enterprises of a public nature broadly stride the way of advertisement, when we reach the stage where religious institutions are "boosted" by means of all kinds of advertising, there is little hope that an improvement can take place even through a change in the general spirit. Here the state must interfere with a strong hand and clear out the rubbish. Our national law of September 12, 1933, concerning economic development, at least embodies all kinds of possibilities of reform.

On the other hand, competition through quality need not be excluded from the sphere of a planned economy; it needs only to be thoughtfully adapted to the entire plan. I have indicated what I mean, in my illustration of a race; and a race is a very good elucidation of what a thoughtful plan requires. Its real significance, of course, lies in the fact that a number of horses are given the opportunity to test their quality in a "competitive contest."

Literally stated, where a planned economy admits free, private economy, as, for example, handwork or shop-keeping, it follows as a matter of course, that one enterprise will attempt to create an advantage for itself over another through better quality, greater accommodation, a rich selection, etc., which will result in attracting the public and thereby in greater financial returns. Or, if the state has work to be performed, it is obvious that the commission should be granted to that competing firm which offers the most favorable conditions.

4. A dense fog surrounds the two concepts *profit* and *acquisitiveness*, both of which stand in a certain relation to one another without having the same content: profit is the broader concept: there may be profit without acquisitiveness, but no acquisitiveness without profit. Within the profit-concept we distinguish again between the profit-account and the profit-principle.

Profit-account is one of those concepts the significance of which was not fully appreciated until the capitalistic period had set in. It is one of those apparent forms of the spirit, which, as I have said, possess attributes which render these forms susceptible of being estimated or computed. It belongs to that world-wide connection of quantification which all things since that time have had to suffer. For a profit-account is nothing more than an intelligible balance sheet of an economic enterprise based upon the results of preceding processes and facts, expressed in terms of money. Economies which, after the elapse of an economic period, have more money in the treasury than has been expended for costs, are called profitable economies. A provably profitable economic management presupposes systematic bookkeeping, such as was first developed in Europe after the end of the fifteenth century. But a complete abandonment of economic transactions in terms of amount (quantity) must be presupposed in those things which cannot be expressed in amount, either by weight, measure or numbers, and which, therefore, cannot be considered in bookkeeping or in computations of profit. Neither the dappled horse, so dear to the heart of the peasant, nor a forest, nor a book, nor human labor-power, nor the family-house can be valued in any other way than by an amount expressed in terms of money.

The profit-account is one of the basest inventions with which the devil has yet deceived mankind. A large part of our misery is connected with the dissemination of this idea: it has destroyed a colorful

world and thrown it into a gray—or grayish—monotony of money values.

The profit-account is to be distinguished from the profit-principle. The former is indifferent toward the question as to whether or not an industry should be managed with a view to profit: one may also consciously form a non-profitable industry without repudiating a profit-account: it occurs in every gratuitous public economy. The profit-principle, on the other hand, demands that an industry be profitable, its control is set up on the basis of an economic management for profit. Here the whole devilish idea, which is concealed in the profit-account, is veiled.

Acquisitiveness or the acquisitive principle, rests upon the profit-principle. It says that an economy delivered over to the profit-principle will be conducted in the interest of private property, valued in money; it says further, that the surplus must be as great as possible, and finally, that economic society receives its form through the acquisitive principle, and its direction through capital. I said above that acquisitiveness cannot be realized without the profit-principle, but that the latter can be applied without having the economy dominated by the principle of gain. In fact, a state enterprise may also be set up on the profit-principle. And for that reason the political economist faces a much greater problem if he must decide whether the profit-principle shall be further pursued (or the profit-account fully retained) than he would if it were a question as to whether the acquisitive principle should be further continued. The latter must stand or fall with the capitalistic organization: which may easily be eliminated by placing capitalistic enterprise into public hands which are guided by the principle of required needs (which is opposed to the acquisitive principle).

But the problem of profit, as I have said before, is not so simple. If we consider first the *profit-account*, we shall find that all modern economy, conducted on a large scale, rests upon it, and so long and in so far as we cannot dispense with this, we must also make terms with the profit-account. In contrast with the procedures employed by the great industries of economic life (with the exception, of course, of agriculture and forestry) the rest of the absurdities of the profit-account seem far less injurious. Finally we may be quite indifferent as to whether coal and iron and yarn and sulphuric acid are treated as nothing but quantitative products.

On the other hand, in the application of the profit-principle, that is, in the adjustment of individual economies of every kind (including public enterprises) so as to yield the greatest profit, we must test very carefully the effects of any such procedure. First of all, in regulating the profit of any industry, no other economic concern of great public importance should be disturbed; in any case we must acquire an economic appreciation of the endeavor to have profits accrue to the public. We must appreciate the fact that profits of individual enterprises may be accompanied by an injury to popular economic interests: as, for example, when private interest consigns an entire region to eternal devastation, a region in which a prosperous agriculture might be pursued (classic example: the Roman Campagna before the settlements) or when, through the cessation of works in a village or city commune, accumulated values are destroyed, or when existing trade facilities are depreciated through the rise of new means of transportation (the automobile in place of the railway), or when, because of profit, the labor-power of an enterprise is dispensed with, and in countless other cases.

So then the formation of an enterprise, even as regards the necessities of life of the men employed in it, must be carefully considered and the question asked: whether the increase of productivity will not disturb vital or other higher values, a thing which has occurred to a large extent through the creation of modern industry. To me it seems doubtful whether we can avoid all the fateful consequences to which the application of the profit-principle has already led: intellectualization, objectification, unification. I have already sketched a picture of this in Chapter II of this book. But we may at least be able to avoid a continually greater disturbance along the lines of the present unfortunate development. If we speak of the revitalization of "private initiative" by the leaders of industry, we can only mean the freeing of the living person from the grasp of the various "systems" from which modern great-industry has been constructed; we can only mean the endeavor to reverse the intellectualization-process, or at least retard it, and create a place in which the human soul may again become active.

Nevertheless, a considerable part of our economic life will in this respect remain a waste. We should therefore at least be concerned in limiting the desert areas as much as possible, that is, withdraw as much as possible the spheres of economic life from the deadening influence of the profit-principle, and even the profit-account. That

could mean all those spheres in which the manual-labor industries are still active, and also those of agriculture and forestry. That these, in their inward nature, are against all intellectualization of industry and simply rebel against a "mechanistic economic conception," I have attempted to show in another connection.²² The havoc wrought by the effort to apply the principles of capitalistic economy, in particular the profit-principle, notwithstanding, to agriculture and forestry, was for that reason so much the greater. One can therefore commend the economic policy of the German National Food Administrator Darré who, with a bold stroke (June 1934), had the courage to place agriculture on a new and independent basis, by removing it from the nexus of capitalistic, and all profit-economies. Here a work of really great significance has begun, concerning the execution of which opinions may differ but which, as a whole, can only be beneficial.

But in my opinion, the principles, according to which the peasant-economy is here regulated, should be extended to the large land-owners in particular. They, too, should not be permitted to regard their holdings in any other sense than as a fief. If a great deal of discord has been brought into the peasant-world through the introduction of the hereditary principle, which should undergo certain changes in the matter of inheritance and the like, it seems to me that to declare the entire great-estate—which should be limited in its extension in the manner described above,—as a possession in primogeniture, is harmless, provided, that the present owners deserve such a holding. The new land-owners should have the qualities of nobility, which is not to say they should be "noble" in the old sense of the term.

In order to meet anticipated objections, it may be observed that the opposite of a profit-economy need by no means be a riotous economy. There is an excellent principle which is suited and destined to abolish the accursed profit-principle, and we have, in fact, a good German word in which to express it—*Wirtschaftlichkeit* (thriftness). Upon this principle, then, an enterprise—every enterprise—may be formed "rationally." But in order to understand the meaning of this word correctly, it will be necessary to make further observations concerning the concepts of *rationality* and *rationalization*.

5. The word "rationalization," used so frequently today, and so often in a rather careless sense, obviously covers very different

²² See *Hochkapitalismus*, pp. 1020ff.

concepts, in so far as it is used, on the one hand, to indicate a subjective attitude of the soul, and on the other hand, a tendency toward a spiritual formation. In the subjective (formal) sense rationalization means essentially the same as the desire, the intention and the habit to shape or fashion transactions and organizations in the most feasible manner, according to a purpose. Opposed to the rationalist attitude, in this sense, is the traditional, according to which one does a thing not with a view to a purpose, but because it is usual or customary. In the objective (material) sense, on the contrary, we are to understand by rationalization the approach of a process, of a procedure or of a regulation to a completed expediency which, on its part, is determined by an objective value brought to recognition in any way. We would speak of a rational condition or process in this second sense, when we wish to say that rationalization is successful.

Now if we speak of a historical period of time, for example, the age of high capitalism, and say that in it the tendency toward rationalization ruled, it means, on the one hand, that the economic behavior of the individual economic subjects was more and more rationalistic, and, on the other hand, that economics increasingly took on a more rational form. But we must add: *capitalistically more rational*. Which is the equivalent of saying more rational in private economics, that is, increasingly more adjusted to the profit purposes of individual capitalistic undertakings. The problem of the future is to free rationality from the embraces of the profit-principle, and to give it worthy aims.

6. Concerning the excellent slogan—"General interest precedes self-interest"—I need not here make any new observations, since I have already stated the general attitude of German Socialism toward it. We take it as the starting point and the guiding principle of our whole policy, but we arrive at the conclusion that a certain order must be reconciled with it which forces the conduct of the individual, by means of constraint, toward the general interest. And this because, on the one hand, there is no sure reliance upon the free choice of the individual, in the average rabble-bent mind; and neither can it be left to the decision of the individual to determine what *he* regards as the general interest. Even if the individual honestly accepts the principle "General interest precedes self-interest," it may well happen that, because he has a false notion of the "general interest," he will arrive at a position which in reality is directly opposed to the general interest. I have already referred to the gigantic work of Henry Ford

who wholly misconstrued the fundamental principle of "social service"—which is about the English equivalent expression for the German "*Gemeinnutz geht vor Eigennutz*"—and who, through his insane measures, greatly injured his country by increasing the inhuman forms of labor in big industry by several degrees. Here a super-individual reason must first determine what the general interest is, before the individual comes into the picture.

2. THE LEADING VIEWPOINTS OF AN ECONOMIC POLICY

After what we have ascertained concerning a thoughtful formation of the demand for goods, concerning the nature of a planned economy, concerning the proper organization of production and concerning a reasonable selection of directive principles, it follows—in view of the aims of all economy, which are constantly before our eyes—that the leading viewpoints of economic policy may readily be deduced and stated in a few sentences. It is scarcely necessary for me to say that to enter upon the details of the problems of a politico-economic technique would extend the limits of this book beyond the general scope which it is intended to cover.

The direct aim of every reasonable economic policy must be: to lend to production continuity and stability. We renounce "progress," in the sense in which the economic age characterized it and in which it met the requirements of capitalism which prolonged its existence by a continuous revolutionizing of the process of production and distribution. A people which never comes up to the margin, in the formation of the external conditions of its life, is sick. To exhaust its energies in the eternally new creation of economic organizations and methods of production means to dissipate its energies. We must finally finish putting our house in order and having a continual grand clean-up, so that we may apply ourselves to worthy tasks. Culture and economic revolutions are not reconcilable. If one regards as the chief disadvantage of a removal of capitalism the slowing down of technical and economic progress, our answer is, that we would see therein a direct blessing. The only justifiable reason for the desire for innovations in the past, on the part of the economic forces, lay in the fact that our population in the last century increased so rapidly and, as a consequence, the German people "outgrew" its clothes, that is, its economic apparatus. But now, since we have entered the ranks of the stationary peoples, this reason also disappears.

All in all, we are now ready for a stationary economy, and ready to send the "dynamic" economy of capitalism back to the devil, from whence it came. Therefore the application of the principles of a planned economy will be much easier.

So far as I can see the only objection that could be urged against setting up such an aim, would arise from the fact that foreign countries could force us to a permanent technical advance, either in the field of the production of war material or in the field of production for export. Certain concession must here be made. What is demanded in the way of technical progress in this field, we must achieve. I should like, however, to suggest the following consideration: So far as war material is concerned, the time should not be far distant when inter-state agreements will slow down the frantic progress in this line—that can be the only reasonable thought connected with the international "limitation of armaments." And so far as our export goods are concerned, we may hope that they will constitute a continuously smaller proportion of our products, and that the surplus remaining will find a market through a higher quality of performance.

With the stabilization of our methods of production, intercourse and marketing, one of the causes of the periodic stagnation and disturbance of the economic processes, will disappear, and, with it, the constant threat of unemployment, the worst plague of the economic age.

Other causes of these symptoms will likewise disappear under a purposeful guidance: for example, the peculiar expansion of business, with its unavoidable crises, as a consequence of an intensified and wrongly directed production. Here a planned business policy must be adopted. "Strong market fluctuations can be avoided only when there is some degree of stability in investment activities. There are a series of measures which may be employed to bring about a constancy in the volume of investments: influencing the presupposed profits (in particular, the rate of interest and the volume of credit), direct control of investments (through the supervision of issues and new construction plans), changing public investments (extending or diminishing the employment of labor according to the condition of private building activities). If forcing the volume of investments to a steady line succeeds, the economic current will also go on undisturbed. That part of the income not spent for purposes of consumption will then be employed for investment purposes, so that also the amount of money employed in purchasing in the market

always corresponds to the cost of production before the purchase. The supply of goods will then always meet with a sufficiently large demand." Thus Keynes sees the future business policy.

Other disturbances of economic life—I call them simply market-crises—of which the so-called world crisis is a part, have arisen, and will continue to arise, as long as the present connections of economic intercourse remain a part of the economies, whenever at any point along the course of the circuit the market flags and the succeeding members are thereby increasingly weakened. In so far as the ordinary market crises are brought about through procedures on the world market, they will of themselves be lessened to the extent in which we withdraw German political economy from that market.

But there will remain enough possibilities, even within our domestic economy, which will give occasion for ordinary market crises. The most important case is the event of war. In order to avoid the blocking of the economic life through such an event, a thorough study of the economic problems of war is necessary, which, fortunately, has already taken place. A study of the economic theories of war is now carried on, as an independent subject, in our institutions of higher education.

Another set of causes which block our economic life may be eliminated by a thoughtful improvement in the organization of our demands: I have in mind disturbances such as appear in consequence of a change of fashion and the like.

Finally there are disturbances to be considered, which we may regard as the effects of natural events. A crop failure would be a case in point. It is a problem for government welfare to equalize the differences in the harvest yields, above all, through an intelligent storage policy to the significance of which I have already called attention.

The plan sketched above for the organization of German political economy,²³ applies to different sectors each of which requires a particular kind of directing.

The economic world of the peasant and handicraft laborers should be surrounded by legal barriers of the state to protect them from the penetration of the capitalistic spirit. The state through special measures must see to it that within this sphere every economy is assured of its subsistence through economic conduct. Here the idea of "sus-

²³ See pp. 262ff.

tenance" (*Nahrung*) must again take root. Accordingly, the state may here permit the individual to have a free hand in management. "Private initiative," which we need and can use, should be extended essentially to peasant and handicraft industries. Their achieving ability would be improved through a well-developed cooperative association, which would naturally keep itself free from the capitalistic spirit. Moreover, guidance through instruction and consultation should be given a large place in this field, in which the peasant and handicraft organizations could give valuable assistance. To adjust these small economies according to the number and kind of needs, but to influence these needs, so that they will be in conformity with the peasant and handicraft economies, is one of the most important problems of political economy.

In the field of economy for profit, the general endeavor must be so directed that no higher interest will be impaired through the application of the profit-principle. So far as the influence of the state is concerned, in public enterprises it must exercise a direct, and in the remaining capitalistic undertakings, an indirect pressure. The manipulation of credit is the most important weapon at the disposal of the state to keep this sector in order. That the state may conveniently at least take the large banking institutions under control, we have already seen. It was an unhealthy condition which had developed in the course of the economic age that permitted a single group of private bankers—the 200-300 "economic leaders" mentioned by Walther Rathenau—to control the entire economy. This control must rest in the firm hands of the state. Only when the state has at least the disposal of all credit-production, will it be possible to guarantee a proper distribution of capital according to the viewpoints of political economy.

There is no doubt that individual savings, put out at interest through banks and banking institutions, even when they are in public hands, will also fertilize economy, in all its branches, through the reception of loans; but this condition need no more be abolished under public control, than public credit, or than the habit of business people to make their capital fluid through drafts on their bank credits in the form of discounts or deposits. Here the private banker may also render useful service in the future as he has in the past. But the state must see "that no harm is done."

But now it is evident that a control with the aid of granting credit is not sufficient to guarantee an orderly economy, in particular, to

prevent misdirecting capital, because capital in the large—one may almost say, to an increasing extent—is not procured through the mediation of banks through savings-accounts of the nation directly or through the surplus proceeds of industry itself. There is still a wide field for misleading capital. We only need to recall the case of Henry Ford who for a long period kept himself free from the “servile interest rates” of the banks.

A wise but a strong system of control must take place here. By that is to be understood the duty of announcing all newly proposed undertakings and also extensions of existing, large undertakings, such as combinations to form concerns, etc., on the one hand, cartels on the other hand, and, corresponding with it, the withdrawing of concessions by the state: a legal condition, such as exists in Italy today. I have already spoken of the necessity of subjecting all inventions to compulsory registration and to the requirement of concessions. Even so the state must have the right to eliminate industries which show themselves as inexpedient, by withdrawing their rights.

The execution of such a directive policy naturally requires a unified, thoughtful plan of production which must be set up on the basis of an “actual balance-sheet of political economy.”

Within the bounds thus set—to which must still be added limitations through all those political measures which are included under the designation of “social policy,” mentioned in another connection,²⁴ capitalistic economy may, for the time being, still operate “freely.” Or perhaps we had better say: place upon itself its own further limitations. In fact, in the course of time, it did create its own organ for that very purpose: the cartel. Upon it devolved the task of bringing production and demand into a proper relationship with one another and to regulate, correspondingly, the prices from which capitalistic economy will still continue to take its bearings. That the cartel must cease to pursue a profit-policy and place itself rather at the service of the community, that is, that it must finally become the bearer of political or state functions (compulsory cartels?), so that it will have a sort of capitalistic guild-constitution, seems to me to be in line with a thoughtful, further control of our economic constitution. However, concerning the position of the cartel in the new Germany, so many excellent treatises have recently been written by such men

²⁴ See p. 268.

as Oskar Klug, Ludwig Heide, Carl August Fischer, Rudolf Wedemeyer and others, that I may forego entering upon details, and all the more because on this point our law-making seems to be in the right direction.²⁵

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The Bourse has become very quiet recently. Indeed, it almost seems as if that institution had quietly gone asleep. And, in fact, in the future it will have merely incidental functions to perform in economics. As a stock-exchange it will serve essentially to lighten the turn-over in the money-market, while all option-business will cease to have any significance. That it was ever a capital-forming arrangement is a legend; it has always only laid capital low; it never helped to build it up. As a produce-exchange, in its more recent form, it will lose its significance as a market for representative wares to the degree in which the old mechanism of world-trade will disappear. But, instead of that, it will again to a greater extent assume its earlier function to form a point of union for local trade.

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The problem of property is for Germany not an independent problem. The alternative about which so bitter a struggle has been waged for hundreds of years, and in many places is still being waged today—private property or common property—does not exist for Germany. Rightly considered, it is not at all a question of “either-or” but only one of “as-well-as-also.” Private property and common property will continue to exist side by side. To which, of course, must also be added, that private property will not be an unlimited, but a restricted possession in fee, at least so far as ownership of the means of production and of the soil are concerned. I can fully agree with the setting which Othmar Spann has given to the problem when he says: “There is, formally, private property, but actually only common property.” The right of property will no longer determine the principles of economic control, but the principles of economic control will determine the extent and kind of property rights: that is the significant point.

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The state has still other possibilities at its command to direct economy into the proper paths through indirect influences: measures which are known to us from present experience and which should be applied by preference in any reasonable economic plan just because

²⁵ cf. Oskar Klug, *Monopolkapitalismus und deutscher Sozialismus*, 1934.

that plan is most likely to guarantee the "organic" transference of existing conditions to a new, thoughtful economy. I have in mind the policy of taxation, of trade, of currency, etc. But I will not further discuss these problems here.

I will merely observe that a plan-like formation of economic life must also include relations with foreign countries. In a preceding section, where I discussed what I consider a reasonable organization of the future economy and, at the same time, also the distribution of the economic functions between domestic and foreign economy, I said that for German Socialism the endeavor for a comprehensive, national self-sufficiency is inherent, but that no reasonable person believes in a complete isolation, that is, in autarkizing German economy. Relations with foreign economies will continue to exist, but in the future the formation of this relation will not, as hitherto, be left to blind chance or, what is the same thing, to the judgment of profit-seeking individual economies; but it must be subjected to the regulation of super-individual reason, that is to say, to the state. *How* foreign economic relations are to be regulated, is perhaps even more important than the determination of their extent, as I have summarized it in the slogan: "autarky" is more important than "self-sufficiency." But national "autarky," self-rule, will mean that the categories within which we will consider international relations in the future will no longer be those of free trade, with the fateful "most-favored-nations clause" as the most important, but those of a planned national economy: trade agreements, customs unions, preferential tariffs, contributory quotas, prohibitions of imports and exports, natural exchange of goods, the reciprocity principle, trade monopoly for certain objects, etc.

* * * * *

The suggestions I have given above, will, I hope, be sufficient to enable us to find the road to a thoughtful planned economy. That this road has been entered upon in many countries, and by no means least in Germany, during the most recent period, there can be no doubt. We have countless, promising beginnings for a planned economy. What is still lacking (except in Russia), is the *unified plan* and, along with it, the fundamental knowledge necessary to further pursue the way of a planned economy. As long as this unified plan and this fundamental knowledge is lacking, there is, in fact, no *Socialism*, whatever you may call it. Let us hope that this last step—or if you will, the *first decisive* step—will be taken by us very soon.

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